Canadian Intellectual Property Office

An Agency of Industry Canada

Office de la propriété intellectuelle du Canada

Un organisme d'Industrie Canada

ANNUAL REPORT 2006–07

Supporting Canadian Innovation

Canada

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Canadian Intellectual Property Office Annual Report 2006–07

Supporting Canadian Innovation

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About us

The Canadian Intellectual Property Office (CIPO), a special operating agency of Industry Canada, is responsible for administering Canada's system of intellectual property (IP) rights, namely, patents, trade-marks, copyrights, industrial designs and integrated circuit topographies.

CIPO's key functions include:

- *assessing and granting requests for IP rights;*
- *disseminating the technical information underlying these creations to allow other inventors to build on existing innovations;*
- *encouraging invention, innovation and creativity in Canada;*
- *providing expert advice on IP administration to other countries; and*
- *promoting Canada's IP interests internationally.*

Specifically, CIPO receives and examines applications for trade-marks, patents, copyrights, industrial designs and integrated circuit topographies; grants and registers these IP rights; and administers their renewal, assignment and transfer. It also oversees the qualifying examinations for patent and trade-mark agents. Its primary clients are applicants for IP protection, agents representing those applicants, exploiters of IP systems, and the Canadian business community.

CIPO provides IP information via its website (www.cipo.gc.ca) and through publicly accessible databases. It is responsible for publishing the *Trade-marks Journal* and the *Canadian Patent Office Record*, and also publishes information guides on its products, bulletins, reports and news releases. To facilitate and encourage the acquisition of IP rights and the exploitation of IP information, CIPO also has a program to raise awareness of the value of IP among the Canadian business community, innovators and creators.

Vision, mission and values

Vision

To be a leading intellectual property office recognized for excellence in our products and services and for strengthening Canada's innovative capacity, through ongoing quality improvement, continuous development of our employees and adherence to our values.

Mission

To accelerate Canada's economic development by:

- **fostering** the use of the intellectual property (IP) system and the exploitation of IP information;
- **encouraging** invention, innovation and creativity in Canada;
- **administering** the IP system in Canada (patents, trade-marks, copyrights, industrial designs and integrated circuit topographies); and
- **promoting** Canada's international IP interests.

Values

Integrity
Fairness
Respect
Efficiency
Trust
Quality
Continuous improvement

Our client service commitment

By telephone

- We answer your call with courtesy and efficiency and, if necessary, refer you to the appropriate officer to deal with your enquiry in the official language of your choice.
- We record all voice mail greetings clearly and bilingually.
- We listen to voice messages at least once a day and return your call by the end of the next business day.

In person

- We greet you in the official language of your choice.
- We provide you with access to an information officer at the Client Service Centre to deal with your enquiry within 10 minutes.
- If you wish to meet with a specialist, you must make an appointment beforehand.

General mail, email and fax enquiries

- We correspond with you in the official language of your choice.
- We acknowledge general correspondence, email and fax requests within two working days.

If you wish to formally register feedback concerning any of the products and services offered by CIPO, please use our online feedback mechanism located on CIPO's website by selecting the "Contact Us" button.

How to reach us

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Acronyms and initialisms

ANCAFA	Accumulated net charge against the fund's authority
APEC	Asia-Pacific Economic Cooperation
CIDB	Copyright and Industrial Design Branch
CIPO	Canadian Intellectual Property Office
CSC	Client Service Centre
DCA	Deferred capital assistance
EBR	Enterprise Business Renewal
FTE	Full-time equivalent
ICTs	Integrated circuit topographies
IP	Intellectual property
IPEA	International Preliminary Examining Authority
IPEG	Intellectual Property Rights Experts' Group
IPIC	Intellectual Property Institute of Canada
IPO	Intellectual property office
ISA	International Searching Authority
IT	Information technology
LDP	Leadership Development Program
PAB	Patent Appeal Board
PCT	Patent Cooperation Treaty
QMS	Quality Management System
SMEs	Small and medium-sized enterprises
TATs	Turnaround times
TMB	Trade-marks Branch
TMOB	Trade-marks Opposition Board
WIPO	World Intellectual Property Organization

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Message from the CEO

As Canada's inventors and creators strive to maintain our country's competitive edge in the fast-changing, knowledge-based global economy, the Canadian Intellectual Property Office (CIPO) continues to strengthen its capacity to support the success of these Canadian innovators, who make an important contribution to the nation's prosperity and economic growth.

As this annual report illustrates, in 2006–07, CIPO remained focused on its goal of becoming a leading intellectual property office (IPO) — one that delivers superior value and responsive service to clients, provides high-quality and timely intellectual property (IP) products and services, and supports Canada's economic development by stimulating the creation and commercialization of knowledge. By serving our clients well and promoting the dissemination of IP knowledge, we are contributing to the federal government's efforts to ensure a climate of creativity and innovation in Canada.

Both government and business recognize that constant innovation is the order of the day in the digital age and in increasingly competitive world markets. In this environment, use of the IP system continues to accelerate around the world, and all IPOs, including CIPO, are processing record high numbers of IP applications. CIPO understands that, like our clients, we too must continue to innovate, and that means anticipating and responding to the evolving requirements of IP users.

Over the past year, CIPO made considerable progress in those areas that are most important to clients:

- reduced turnaround times (TATs);
- improved access to information, products and services; and
- enhanced communication ensuring clear, accurate and consistent information.

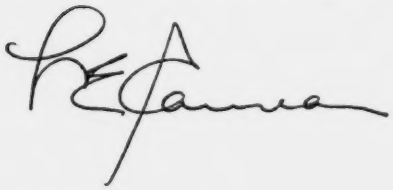
And we are charting a course for building on these achievements. CIPO is renewing a five-year strategic plan that lays out five strategic directions: client services, outreach, the IP framework, international activities and our people. We are building this plan by listening to our clients, staff, partners and stakeholders.

While client service and outreach remain the core of our business, we will continue to stress delivery of quality and timely IP products and services in a modern, competitive system, as well as reach out to Canadians to inform them about the ways in which they can reap the benefits of the IP system. We will further strengthen our services and outreach by improving Canada's IP administrative framework and by representing Canadian IP interests internationally. And we will do so by supporting and engaging our people — our most vital strategic asset — who directly serve and interact with clients and inform Canadians about the value of IP information and protection.

The success of this strategic plan will be bolstered by CIPO's business transformation initiative, Enterprise Business Renewal (EBR), which will be an important lever to improve client services and internal process efficiencies. Its purpose is to create a secure, cost-effective operational environment focused on optimal client self-sufficiency and satisfaction. Through our strategic directions and the EBR initiative, we will continue to make progress in these three important areas for our clients.

I began my term as Chief Executive Officer of CIPO after the end of fiscal 2006–07, and I am looking forward to working with our clients, stakeholders, and the organization's talented and capable employees to meet the challenges of the future. I want to take this opportunity to recognize the contributions of my predecessor, David Tobin, who led CIPO through a period in which we realized a number of significant accomplishments, including improved TATs, an expanded team of capable and expert employees, and a greater international presence. Our task is to build on this success and continue to seek ways to improve services for clients and to keep pace with international standards and other IPOs.

CIPO is moving forward to seize additional opportunities to become a world-class IPO, supporting Canada's innovators and helping to contribute to the country's economic growth and international competitiveness.



Mary Carman
Commissioner of Patents,
Registrar of Trade-marks and
Chief Executive Officer

The year at a glance

CIPO contributes to Canada's economic development by encouraging innovation, invention and creativity. It makes this contribution by delivering quality and timely IP products and services to clients, and by increasing the awareness, knowledge and effective use of IP by Canadians.

Achievements

Client services

CIPO maintained a strong focus on product and service improvement throughout 2006–07 to meet growing client demand for high-quality IP search and examination products that are delivered in a timely manner.

The organization made further progress in response to the three main service improvement areas identified in the 2005 National Client Survey — communications, accessibility and TATs. On the communications front, CIPO focused on client consultations and on enhancing client communications tools. It held focus groups with IP agents as part of its long-term strategic planning exercise and learned more about clients' online service needs through a survey of its website users.

CIPO also expanded corporate vehicles for communications to clients and stakeholders, including website upgrades and regular online news updates. In addition, the Client Service Centre (CSC) improved its responsiveness to clients. Accessibility was enhanced in a number of ways, including a new toll-free number that allows clients across the country to call for information. The organization also laid the foundation for its multi-year business transformation initiative, Enterprise Business Renewal (EBR), designed to improve core business processes with the goal of becoming more accessible, efficient and responsive to clients.

TATs are extremely important for clients, and CIPO continued to achieve progress on this front. TATs for key patent products, copyright registrations and industrial designs were all reduced, as were TATs for hearings and decisions by the Trade-marks Opposition Board.

CIPO further enhanced its information technology services to increase clients' ability to conduct their IP business electronically and to make quality information more readily available to clients. Electronic services are also an important driver of timeliness, and use of CIPO's e-filing system continued to expand. In 2006–07, 90 percent of trade-mark applications were filed online, up from 84 percent the year before. Online filings for copyright increased 5 percent to 65 percent.

The organization also completed the digitization of Canada's industrial design records — dating back to 1861 — and developed plans to launch the final phase of the searchable Canadian Industrial Designs Database in late 2007–08. Access and usability were enhanced for other key IP databases, including the Canadian Copyrights Database and the searchable *Trade-marks Wares and Services Manual*. Copyright electronic services were upgraded to allow clients to file grants of interest online.

The Patent Branch reached another record high number of examination disposals and increased production of international services. All product lines made progress on quality initiatives designed to improve accuracy, consistency and comprehensiveness of products and services. Please see all of CIPO's product line statistics starting on page 46.

Outreach

CIPO continued to invest considerable effort in helping Canada's innovators and creators understand and learn how to reap the benefits of the IP system. A special focus was put on small and medium-sized enterprises (SMEs) and the education sector. Presentations were delivered to raise IP awareness in 18 cities across Canada. The organization also participated in trade shows and in the Canada-Wide Science Fair, which features the science projects of high school students. It began negotiating a pilot project with university partners to design tools for integrating IP into a range of courses and participated in World Intellectual Property Day to further raise IP awareness in Canada.

IP administrative framework and international activities

In the regulatory area, CIPO put forward proposed amendments to five IP regulations to improve the IP regime by simplifying procedures and reducing processing times and costs. The regulatory changes also clarified the patent regime for small entities (i.e., universities or entities employing 50 or fewer employees), while providing a relief mechanism for regular-sized entities that mistakenly pay fees at the small entity level.

CIPO remained committed to the improvement of the international IP regime to advance Canadian interests and to researching international best practices to help drive improvements for its clients. To these ends, it participated in a variety of IP-related forums, including the 33rd World Intellectual Property Organization (WIPO) General Assembly, WIPO technical committees and trade policy forums, such as the Intellectual Property Rights Experts' Group (IPEG) meetings of the Asia-Pacific Economic Cooperation (APEC).

Additionally, a number of bilateral meetings were held with key IPOs. As in previous years, CIPO collaborated with WIPO to deliver an executive workshop for senior officials from IPOs in developing countries. CIPO also provided expert advice and support to Industry Canada and other government departments on international IP issues.

Our people

Recognizing that the talent and commitment of its employees are its most valuable assets, CIPO continued to implement a comprehensive human resources strategy designed to attract and retain talent. This included expanded recruitment initiatives and enhanced and streamlined training. The Patent Branch added 30 examination staff, boosting its capacity to improve TATs and service quality.

CIPO understands that career development and learning, as well as a flexible and supportive work environment, are important contributors to employee satisfaction and retention. The organization launched its Leadership Development Program (LDP), providing leadership training for 196 managers and supervisors. It continued to offer flexible work arrangements such as compressed work weeks and telework. Communications with employees were improved through a redesign of the employee intranet site (CIPOnet), which included the addition of more essential work tools and value-added content.

Introduction

Purpose

This annual report provides information on CIPO's operating and financial results for the previous fiscal year. It includes key performance information related to the organization's services and statistical information on IP of interest to domestic and international organizations.

Agency background

CIPO was established as a special operating agency under a framework document approved by Treasury Board, effective April 1, 1992. The head of CIPO, Commissioner of Patents, Registrar of Trade-marks and Chief Executive Officer, has overall accountability for CIPO's performance, including long-term strategic direction, and is held accountable to both the Deputy Minister and Minister of Industry for achieving results and meeting financial targets. CIPO's organizational structure is outlined in Appendix A.

CIPO charges fees for the services it renders to its clients and is fully financed by these fees. By having access to its revenue, the organization has gained increased financial, personnel and administrative flexibilities that allow it to focus on service quality and responsiveness in an environment characterized by evolving client needs and a competitive labour market.

Mandate and mission

CIPO's mandate stems from statutory and other authorities, including the *Patent Act*, the *Trade-marks Act*, the *Copyright Act*, the *Industrial Design Act*, the *Integrated Circuit Topography Act* and the *Public Servants Inventions Act*, as well as regulations associated with each of these acts. In addition, the Commissioner of Patents and the Registrar of Trade-marks is an order-in-council appointment and has specific independent statutory responsibilities.

CIPO's mission is to accelerate Canada's economic development by:

- fostering the use of the IP system and the exploitation of IP;
- encouraging invention, innovation and creativity in Canada;
- administering the IP system in Canada, including patents, trade-marks, copyrights, industrial designs and integrated circuit topographies; and
- promoting Canada's international IP interests.

About this annual report

This annual report is structured around five strategic directions that support delivery of superior value to clients and stakeholders and reflect CIPO's vision for better enabling Canadians to participate and contribute to a competitive, growing knowledge-based economy through the IP system. These strategic directions are in the areas of client services and outreach — which together constitute the core of CIPO's business — the IP administrative framework, international activities and our people.

Client services

CIPO is continually working to become more efficient, accessible and responsive to clients. A key component of realizing this goal is the organization's multi-year business transformation initiative. The EBR initiative will be an important lever to make internal processes more efficient in order to improve service offerings that will lead to optimal client self-sufficiency and satisfaction. In 2006–07, CIPO set the foundation of the EBR strategy, and projects will be implemented over the next five years.

The organization's overall objective for client services is to improve products, services and processes in areas of highest priority to clients while supporting the greater public good.

In 2006–07, CIPO continued to act on the results of its third National Client Survey, conducted in June 2005 (the next is scheduled for early 2008). Throughout the year, the organization improved services in the following three areas identified as top client priorities in the 2005 survey.

Highlights

Communications — Clients want clear, accurate and consistent information from CIPO.

- CIPO expanded corporate vehicles for communications to clients and stakeholders, including adding a new client service page to its website and providing regular electronic news updates to keep clients informed of new initiatives and service enhancements. The news updates are proving valuable to clients; there has been a significant increase in the number of clients self-subscribing to the newsletter. The number of subscribers rose from 1800 to 2300 in 18 months.

- Service training and quality improvements were launched to ensure that communications to clients are clear and easy to understand.

- CSC's service standards were updated to improve responsiveness to clients.

- Updates of key corporate publications and commonly used information guides were launched to address client feedback for improved readability and appeal.

Accessibility — Clients want to be able to reach CIPO employees and to easily locate information, products and services, including outside regular business hours.

- CIPO updated employee information on the online Government Employee Directory Services system to allow clients to easily contact employees, their immediate colleagues or supervisors.

- Guidelines for email and voice mail communications were implemented to allow clients to reach an appropriate person by other means, if needed.

- CIPO implemented a toll-free number to improve services to clients across Canada.

- It also expanded the information holdings and functionality of its website, with the goal of making more services available online 24/7.

- IP databases and paper collections constitute one of the largest collections of technological information in Canada. CIPO places a high priority on electronic access to all IP products. With Phase 1 of the Patent Data Export Project now completed, and the Industrial Design Back-Capture Project close to completion, the next key phase will be to develop and make available a range of new and improved information products to meet clients' needs.

TATs — Clients want CIPO to provide service in a timely manner.

- Initiatives to improve TATs are described in the section below entitled "Timely, quality products and services."

Listening to clients about online services

In spring 2006, CIPO augmented the information from the 2005 National Client Survey through a separate online survey of clients.

The online survey collected information from 851 clients who had visited the website at least once in the previous 12 months. It yielded important information on client satisfaction and client requirements with respect to online services. Respondents reported they were generally satisfied with the website (an overall satisfaction rate of 77 percent) but also identified areas for improvement, including the online payment process, "easier to find" information and reliable search engines. The survey also showed that among client groups, agents were less satisfied than other clients across all satisfaction indicators.

Timely, quality products and services

CIPO places a high priority on continuous improvement of the timeliness and quality of its search and examination products and services. It addresses this priority through increased hiring, streamlined training, and improved business practices and systems.

CIPO's clients view timeliness as a major component of good service, and, in 2006–07, the organization continued to focus strongly on the improvement of TATs for processing applications. It also continued to implement quality management systems and practices for each product line and across the organization. These quality enhancements are based on best practices and on clients' views on important quality measures and desired areas of improvement.

Throughout the year, CIPO progressed toward a central goal — to reach service levels that clients consistently rate as equal to or better than services received from other IPOs.

Product lines' achievements related to timely, quality products and services are outlined in the following pages.

Patent Branch

The Patent Branch receives, classifies, examines and processes applications for patents that provide IP rights for a new invention (process, machine, manufacture or composition of matter) or any new and useful improvement of an existing invention.

Patent Branch examiners, who have undergone extensive technical and legal training, are qualified specialists in a range of disciplines. The Branch serves a diverse mix of national and international clients — the public, scientists, business professionals, academics, inventors, patent professionals, research institutes, foreign offices and IP associations — in a variety of fields, including biotechnology, computers, physics, mechanical and civil engineering, and chemistry.

The Branch's archives constitute one of the largest collections of technological information in Canada. The archives' detailed classification system allows members of the public to research Canadian patent documents.

Highlights

The Patent Branch continued its recruitment campaign in 2006–07, hiring 30 additional examiners to help meet or exceed established service standards in areas of high priority to clients, most notably in TAT improvements. Hiring focused on technological areas where backlogs and demand warranted. In January 2007, a group of electrical and mechanical examiners joined the Branch, and additional examiners in general and organic chemistry began work in March. Biotechnology is another growing area of importance for IP, and 13 additional biotechnology examiners were due to join the Branch in July 2007.

The Branch intensified recruitment efforts to bring in qualified staff as quickly as possible, including advertising on the Government of Canada recruitment website and attendance at university career fairs. It also investigated longer-term hiring strategies such as opening career opportunities to the public on www.jobs.gc.ca.

The Branch met 2006–07 service standards for the timely delivery of key products and services. The following targets were achieved: issue filing certificates for patent applications within four weeks from the date of receipt of application, issue confirmations of national entry for Patent Cooperation Treaty (PCT) applications within eight weeks, and issue ownership registration certificates within six weeks from the date of receipt of documentation (in all cases, these targets are for applications that meet document requirements upon filing). The Branch continued to make progress towards its target of providing a first substantive examination action for 80 percent of applications in less than 27 months, achieving a rate of 77 percent in 2006–07.

The Patent Branch has expanded the range and quality of IP services to clients, as well as strengthened its visibility and credibility on the international stage, since starting to provide International Searching Authority (ISA) and International Preliminary Examining Authority (IPEA) services in July 2004. It offers international searches to Canadian applicants and produces international search reports, written opinions and international preliminary reports on patentability, in conformance with established international guidelines.

CIPO is one of 12 national IPOs to offer these international services. Pursuant to this status, the Patent Branch produced 2204 international search reports in 2006–07, an increase of more than 9 percent over the previous year. The number of international preliminary reports on patentability produced almost tripled, rising to 415, compared with 154 in 2005–06.

The Branch reached yet another record, with 32 806 examination disposals. Newly received patent applications totalled 40 873, and requests for examination numbered 28 622. The total inventory of applications with a request for examination awaiting a first action continued to drop at a steady rate.

The Patent Branch undertook a number of activities to improve the quality of its products and services, including formal training for examination staff and further development and implementation of its Quality Management System (QMS).

The Patent Branch Quality Steering Committee, chaired by the Assistant Commissioner of Patents, carried out an external International Organization for Standardization audit and gap analysis, which identified primary opportunities for quality improvements. To pave the way for both quality and efficiency enhancements in processes, the Branch completed process mapping and documentation in the key areas of scanning, mail sorting and formalities.

In response to recommendations from the Canadian Biotechnology Advisory Committee, the Patent Branch continued in 2006–07 to increase its capacity to effectively examine applications in the complex area of biotechnology IP. An important practice notice addressing patentable subject matter was issued, and complete guidelines on biotechnology patenting underwent internal review in preparation for broader consultation planned in 2007–08.

The Patent Branch continued to consult and communicate with the patent profession through participation in the Joint Liaison Committee, a joint committee with Intellectual Property Institute of Canada (IPIC) patent agents. The Branch used these meetings as a forum for discussing results from CIPO's online feedback mechanism and for obtaining IPIC support for a much improved client feedback process now in development.

Patent Appeal Board

The Patent Appeal Board (PAB) is composed of senior Patent Office officials who advise the Commissioner of Patents in the performance of her duties under the Patent Act. *The Board's functions include:*

- reviewing rejected patent and industrial design applications, and recommending that applications be either refused or returned to the examiner for further prosecution;
- administering the process of re-examining a patent on the basis of prior art when requested under the *Patent Act*;
- administering the procedures related to abuse of patent rights under section 65 of the *Patent Act*; and
- making a recommendation as to which applicant is the first inventor and entitled to claim an invention, under conflict procedures that apply to applications filed before October 1, 1989, where two or more applicants are seeking rights over the same invention.

The Board also instructs CIPO's litigators in cases involving the Commissioner.

The PAB provides administrative support for the boards that set the qualifying examinations for patent and trade-mark agents. In 2006–07, 219 candidates sat for the patent agent qualifying examination, while 35 candidates wrote the trade-mark agent qualifying examination.

Highlights

During 2006–07, PAB disposed of 10 patent applications and reviewed the prosecution of 10 others, which included preparing draft recommendations for the Commissioner. The Board also established two Re-examination Boards and concluded two others. A Commissioner's decision for one conflict procedure involving two patent applications was finalized and mailed to applicants, and the PAB disposed of one request for a compulsory licence under section 65 of the *Patent Act*.

Trade-marks

The Trade-marks Branch (TMB) is responsible for registering trade-marks — words, symbols and/or designs used to distinguish products or services in the marketplace. The Branch examines applications for trade-mark registration, grants registrations to qualifying applicants and records new information when trade-mark rights are assigned to a new owner.

Highlights

In 2006–07, TATs in TMB remained at the previous year's level — five months from application filing date to first action (either approval or first report to the applicant). The inventory of files awaiting examination also held steady at approximately 20 000. Although TMB hired new examiners for fiscal year 2006–07, it faced challenges in reducing TATs and inventory due to the attrition of examination staff and longer than expected training times.

TMB developed a Five-Year Recruitment, Retention and Training Plan to ensure sufficient resources to support TATs of between 4.5 and 6 months, comparable to Canada's major trading partners and in line with the expectation of applicants.

TMB introduced several quality initiatives within the examination section, including new procedures, improved consistency of examiner reports and a database quality project to ensure accurate trade-mark data dissemination.

Representatives from TMB and the Trade-marks Opposition Board (TMOB) actively consulted and communicated with trade-mark practitioners and stakeholders throughout 2006–07. Every two to three months, they held a joint meeting with IPIC's Trade-marks Practice Committee to discuss trade-mark operational issues such as examination quality, timeliness of trade-mark services and e-commerce. Issues identified and resolved as a result of the forum included the quality of TMB's search system, the quality of the *Trade-marks Journal*, improvements to examination research tools and clarification of examination practices.

Use of the trade-marks e-filing system, launched in 2000, continued to expand. In 2006–07, 90 percent of applications were filed online, compared with 84 percent the previous year and less than 20 percent prior to 2004. The total number of applications increased to 45 374, from 43 616 in 2005–06.

Trade-marks Opposition Board

The Trade-marks Opposition Board (TMOB) considers applications filed by third parties to challenge the registration of a proposed trade-mark advertised in the Trade-marks Journal. *Statements of opposition are filed against approximately 4 percent of advertised trade-mark applications. TMOB also deals with requests for the removal of a trade-mark from the trade-marks register, on the grounds that the mark is not used in Canada (section 45). TMOB conducts hearings, where necessary, and renders decisions on behalf of the Registrar of Trade-marks.*

Most trade-mark oppositions are eventually settled or abandoned, with only about 4 percent of cases decided by the Board. Decisions of the Registrar of Trade-marks can be appealed to the Federal Court of Canada.

Highlights

In 2006–07, the TMOB received 1114 statements of opposition and 640 section 45 applications — 1754 filed in total (compared with a total of 1825 in 2005–06). Upon examination, the Board conducted oral hearings on 101 opposition and 33 section 45 cases.

For oppositions, the TAT from request to an oral hearing was 8.5 months, compared with the 14-month target, while the TAT to render a decision when no oral hearing was requested was 8.3 months, well below the 12-month target. For section 45 filings, TATs for hearings were 20.5 months and 11.4 months for non-hearing decisions, compared with TMOB's targets of 18 months for both.

Copyrights

Copyright, Industrial Design and Integrated Circuit Topographies product lines are managed by the same branch — the Copyright and Industrial Design Branch, referred to as CIDB.

Copyright is the exclusive right to copy a creative work or allow someone else to do so. Copyrights apply to original literary, artistic, dramatic and musical works, as well as to computer programs. These rights may also apply to sound recordings (such as records, cassettes and tapes), performers' performances and communications signals.

Highlights

In 2006–07, CIDB received 8504 copyright applications and registered 8432 copyrights, a 2-percent increase in the total number of registrations from the previous year. CIPO met its 2006–07 service standards for copyright registrations by maintaining a yearly average of 3 days to process electronic applications.

In addition, there was a 5-percent increase in electronic filings for copyright, bringing the use of e-filing to 65 percent of total filings received. CIDB further upgraded electronic copyright services to allow online filing of copyright grants of interest.

Industrial designs

An industrial design is the visual feature of shape, configuration, pattern or ornamentation of a manufactured article intended for mass production. A registered industrial design is similar to a patent in that it provides IP protection for a certain period of time.

Highlights

The number of industrial design applications filed increased by 4.3 percent in 2006–07 (4883 applications were received, compared with 4682 the previous year). Grants and registrations issued for industrial designs totalled 3841, an increase of 10.7 percent from 2005–06. Despite the increased workload, average TATs for industrial design first examination action were brought down to an average of 12.6 months for the year.

CIDB continued to promote the use of e-commerce through expanded online services, which not only enhance service quality but also help to reduce overall application TATs. Continued progress was made towards completion of the electronic version of the Canadian Industrial Designs Database. The first phase of this searchable database was launched in December 2005. When the completed database is made available in late 2007–08, the public will have online access to all industrial designs registered in Canada since 1861.

The Branch worked closely with stakeholders through the Partnership Committee on Industrial Design, which met in the spring and fall. The Committee provided CIDB with key information on opportunities for improvement and commented on proposed regulatory changes.

Progress was made in the development and implementation of a QMS that aims to improve product and service quality and to make operational processes more efficient.

The Branch mapped key processes, developed an enhanced training program for industrial design examiners, and implemented a number of quality control measures such as regular monitoring of examination reports.

In 2006–07, CIDB completed its restructuring and growth in order to maximize capacity to reduce inventory and TATs. All positions in the new structure were created and staffed.

Integrated circuit topographies

Integrated circuit topographies (ICTs) are three-dimensional configurations of semi-conductors, metals, insulators and other materials that make up the microchips found in products such as medical and aerospace equipment, consumer electronics and household appliances.

ICTs are their own form of IP and are considered vital to the operation of information, communications and entertainment technologies.

CIDB is responsible for processing and registering applications for ICTs on behalf of the Registrar of Topographies, a title held by the Director of CIDB.

Highlights

In 2006–07, eight ICT applications were received and registered, compared with two annually in each of the two previous years.

Improving understanding of client needs and expectations

Staying on top of clients' evolving needs and priorities requires a sustained corporate commitment. To this end, CIPO continues its efforts to develop and improve its client relationship management strategy and to build client intelligence through ongoing consultations, management of client data, and incorporation of consultation results into improvements of services, products and processes.

To better understand and serve clients, CIPO focuses its consultation efforts on three core client groups: unrepresented applicants (those who file an application for IP protection directly with CIPO), represented applicants (those who file through an agent), and agents themselves.

According to IP agents, a leading IPO has high-quality, diversified online services

Strong and diverse electronic services are a major part of what constitutes a leading IPO, according to Canadian patent, trade-mark and industrial design agents consulted by CIPO in focus groups across the country in February 2007. The majority of agents said that a leading IPO must have diversified online services, in other words, opportunities for clients to conduct several types of online transactions. The agents also told CIPO that databases must be reliable and regularly updated. Data must be secure, and online tools must be efficient and on the leading edge of technology while still being user-friendly.

The IP agents reported that they recognize the work that CIPO has undertaken to improve its online services to enable faster service and reduced TATs — also important measures for a world-class IPO.

Highlights

CIPO implemented a number of consultation initiatives in 2006–07 to better understand clients' satisfaction and evolving needs, including:

- a national survey of users of CIPO's CSC to establish baseline satisfaction measures and targets for CSC telephone services;
- an online survey of users of CIPO's website to better understand client perceptions of the website and priorities for improvement;
- a national series of focus groups to determine IP agents' perceptions of what constitutes a "leading IPO" to assist the organization in developing its next five-year strategic plan; and
- a national survey of SMEs to determine their awareness, knowledge and effective use of IP, to assist CIPO's Outreach Program in better serving potential clients.

This past year, improvements were implemented to help better integrate client input into ongoing business planning and reporting processes:

- a corporate consultation strategy was developed to ensure that client consultations are directly aligned with CIPO's strategic objectives and that results yield maximum value to the organization; and
- a service improvement plan was implemented to explicitly set out corporate service improvement priorities for the year.

Outreach

This strategic direction focuses on ensuring that Canadian creators and innovators understand IP and use it effectively to enhance their innovation capabilities and acquire a competitive advantage in the marketplace.

A key part of CIPO's mandate is to increase the awareness, knowledge and effective use of the IP system and of IP information. With the growing importance of IP in the global economy, it is essential that Canadian innovators and creators, along with IP practitioners and the business community, understand the importance of protecting IP and how to effectively use the IP system.

CIPO's outreach activities are targeted primarily at SMEs and the education sector. To support outreach, it also continues to strengthen and utilize strategic partnerships with a number of organizations, including federal departments and agencies, business associations and academic institutions.

Highlights

CIPO's extensive website (www.cipo.gc.ca) remains a key access point for information on the IP system, IP information holdings, and the broad range of IP products and services. The spring 2006 survey of website users provided CIPO with important information about ways to make the site a more user-friendly and client-focused communications tool. Following analysis of the survey results, CIPO developed an action plan for the redesign of the website, and new pages such as "Client Service" were created.

In response to broader, ongoing client feedback, CIPO enhanced e-services and web-based tools in 2006–07:

- the digitization of Canada's industrial design records was completed, and the full Industrial Designs Database will be launched in late 2007–08; and
- bibliographic information for Canadian patents registered between 1869 and 1919 was added for searching on the Canadian Patents Database.

Improvements were made to increase access and usability of IP databases, including the Canadian Copyrights Database and the searchable *Trade-marks Wares and Services Manual*.

Small and medium-sized enterprises (SMEs)

CIPO continued its efforts in 2006–07 to inform SMEs about how they can effectively use Canada's IP system to foster innovation and acquire a competitive advantage in the marketplace.

An SME baseline survey was conducted to identify the level of IP awareness within the SME community. It provided the backdrop to address gaps in awareness, understanding and use of IP, and a baseline to measure the effectiveness of CIPO programs aimed at SMEs.

The plan is to identify one sector of the SME community and develop a more in-depth understanding of its needs and inhibitors to effectively using IP. A more targeted approach will then be piloted with this first sector.

CIPO has developed a formalized governance framework for partnership management. The quality and completeness of the framework has attracted interest from some foreign IPOs and colleagues within Industry Canada who are facing the same partnership management challenges. The framework clearly outlines expectations from CIPO and partners to ensure accountable management of the program.

CIPO is also working closely with Industry Canada and other federal partners to establish linkages and work with networks that can help to get the word out about IP. In addition to internal departmental committees, these included Federal Partners in Technology Transfer, Corporations Canada and the Canada Business Service Network. In 2006–07, CIPO contributed to Industry Canada's Services for Business campaign designed to promote federal government programs and services for entrepreneurs through the design, implementation and delivery of various information products and information sessions.

Ongoing outreach activities

The Bank of Speakers initiative continued to prove successful in 2006–07. There were 43 presentations, reaching 1475 persons in 18 cities and 8 provinces. In addition, CIPO attended 22 trade shows, touching base with some 7000 booth visitors. Regional business development officers gave 86 specialized presentations in various regions of Canada.

CIPO has been active in international activities to support the SME community through the creation of content for an APEC-IPEG awareness resources database, attendance at related meetings and through information sharing in the form of two international SME surveys.

Education strategy

CIPO's education strategy is designed to facilitate the integration of IP and its strategic use into the courses of engineering and science faculties at Canadian universities and colleges.

In 2006–07, the organization conducted an environmental scan of post-secondary institutions to assess IP instruction in undergraduate and graduate programs. The purpose was to create an inventory of existing course and training material; identify key players, current issues and trends; and identify potential partners with whom CIPO might collaborate. The scan showed that although 44 out of the 56 institutions had one or more formal or informal courses offering instruction on IP, the level of instruction was minimal. However, the broad range of courses that touched on IP (i.e., business, law, science, engineering, information technology, medicine and agriculture) shows the growing recognition of the importance of IP.

The scan also revealed that many education stakeholders would support a larger facilitation role for CIPO to develop IP training material and resources to ensure that development teams include educational professionals. Later in the year, the organization began negotiating pilot projects with university partners in order to develop tools to facilitate the integration of IP into existing courses.

The outreach content on CIPO's website was reorganized to provide one-stop access to existing products and services for those wanting to "learn about IP." Content is now segmented for businesses and the education sector, including an introductory international context.

Connecting to the innovators of tomorrow

As part of its outreach to the education community, CIPO believes it is important to support major science, design and entrepreneurship competitions where creativity is being celebrated. To that end, it participated as an exhibitor at the Canada-Wide Science Fair in May 2006, in Saguenay, Quebec. The event was an opportunity for CIPO to connect with 450 top high school and college science innovators from across Canada at the CIPO kiosk and through a presentation on patents by a CIPO examiner.

In addition, CIPO interviewed students to showcase their projects and to raise awareness of IP. The resulting video clips were a technological first for CIPO and are available on its website. The U.S. Chamber of Commerce selected this student video project as a best practice for showcasing at a 2007 APEC conference.

Strategic direction: IP administrative framework

It is vital for Canada to have an internationally competitive IP framework in today's knowledge-based and globalized economy. Given its mandate and expertise, CIPO can and does play a major role in the ongoing evolution and modernization of Canada's administrative IP laws, policies and regulations.

Highlights

In 2006–07, CIPO moved forward on a number of policy initiatives.

In keeping with the federal legislative principles of Smart Regulation and the Paperwork Burden Reduction Initiative, CIPO put forward proposed amendments to five IP regulations to ensure that Canada's IP regime is more user-friendly, cost-effective and responsive to the needs of Canadian businesses and universities. The main purpose of the regulatory changes was to clarify the patent regime for small entities (i.e., universities or entities employing 50 or fewer employees) while providing a relief mechanism for regular-sized entities that mistakenly pay fees at the small entity level. The amendments also improved the IP regime by simplifying procedures and reducing processing times and costs.

The Trade-marks Branch has begun preparatory work to develop proposals for modernizing and streamlining the *Trade-marks Act*. These proposals will form the basis for consultations with stakeholders in 2007–08.

Strategic direction: International

The international IP system is growing in both importance and complexity. CIPO's key objective on the international scene is to effectively advance Canada's IP interests.

Canadians are seeking access to global markets and more streamlined, predictable and harmonized procedures for the acquisition of IP rights. It is essential that CIPO remains a credible force on the international stage and works with other nations to improve the international IP system. This includes participation in discussions on such key IP issues as patent and trade-mark policy reform, harmonization of administrative practices, and the impact of IP on trade policy and agreements.

CIPO works to further enhance its active participation at WIPO, which has 183 member states. CIPO also creates and strengthens bilateral linkages with the IPOs of other countries, fostering inter-office cooperation, information sharing and acquisition of knowledge about best practices that can be applied to Canada's IP system.

Beyond the WIPO context, IP issues are gaining greater exposure in other international forums such as the World Trade Organization and APEC meetings. CIPO also cooperates with and provides support to other federal government departments involved with IP issues, and helps to ensure a strong and consistent Canadian voice in international institutions and meetings.

A strategy for international influence

CIPO's three-pronged international strategy is designed to:

- support and advance CIPO's strategic objectives to be a leading IPO, based on adapting best practices from other IPOs;
- advance Canada's international IP interests by proactively promoting acceptance of Canadian standards where they constitute a best practice, by optimizing participation in international forums and possibly expanding technical assistance activities; and
- position CIPO as a credible contributor to the Government of Canada's international priorities.

Highlights

Multilateral meetings and negotiations

CIPO participated in a broad range of multilateral international activities in 2006–07 to promote Canada's IP interests in the global arena. This included the annual Assemblies of the Member States of WIPO, held September 25 to October 3, 2006, in Geneva.

To build relationships, TMB participated in discussions within Canada and internationally with client and stakeholder groups, i.e., IPIC; the WIPO Standing Committee on the Law of Trademarks, Industrial Designs and Geographical Indications; the Madrid Working Group; the International Trademark Association; and individual law firms. These discussions involved technical aspects of Canada's trade-mark system as well as policy issues relating to international trade-mark law treaties, to assist the Branch and CIPO develop policy positions with respect to the Singapore Treaty on the Law of Trademarks.

CIPO took part in numerous other multilateral meetings, including:

- meetings of APEC-IPEG in Mexico from August 14 to 17, 2006, and in Canberra, Australia, from January 24 to 25, 2007 (IPEG coordinates and undertakes work related to IP rights among the increasingly interdependent 21 economies of APEC);
- a major APEC IP symposium hosted by the Australian government in Sydney, January 28–30, 2007, entitled "Trading Ideas: The Future of IP in Asia Pacific"; and
- WIPO technical meetings, for example, the Provisional Committee on Proposals Related to a WIPO Development Agenda, the Meeting of International Authorities, the WIPO Standing Committee, the Madrid Working Group meetings and the Working Group on the Digital Access Service for Priority Documents.

Relationships with IPOs around the world

CIPO works multilaterally with other IPOs on common initiatives that will be of benefit to CIPO clients while contributing to broader Government of Canada initiatives.

In 2006–07, CIPO further developed ongoing relationships with key IPOs, including bilateral visits with the Japan Patent Office, the State Intellectual Property Office of the People's Republic of China, the United Kingdom Intellectual Property Office, the Korean Intellectual Property Office and the United States Patent and Trademark Office. These meetings provided a good opportunity to discuss approaches to common challenges and share best practices.

Learning more about international best practices in information dissemination

To support documenting best practices in information dissemination, CIPO has been building relationships at the international level. A delegation visited the United States Patent and Trademark Office in fall 2006 and participated in the European Patent Office Patent Information Conference in Cyprus in November. CIPO's Information Branch also corresponded regularly with the European Patent Office to advise on the progress of the Patent Data Export Project and obtain feedback.

The Information Branch was designated as one of the CIPO representatives to WIPO's priority documents exchange project, and staff from the Branch attended a meeting in Geneva in spring 2007 to establish a working group. CIPO expects WIPO to resume this project in fall 2007.

Technical assistance to developing nations

As part of Canada's commitment to international development, CIPO continued to cooperate with WIPO to provide technical assistance in the form of programs and services to developing countries.

This support for developing countries contributes to an improved climate for the export of Canadian products and services to emerging economies. Technical assistance also supports Canada's international development objective of establishing more stable and self-reliant economies in developing countries over the long term. Additionally, it provides Canada's IPO with increased profile, demonstrates goodwill and contributes to building greater influence at the international level.

In 2006–07, CIPO hosted and delivered a joint CIPO–WIPO Executive Workshop on Management Techniques in the Delivery of Intellectual Property Services for 11 senior officials from developing countries. CIPO has been hosting workshops in collaboration with WIPO since 1997.

Strategic direction: Our people

CIPO recognizes that its employees are a vital strategic asset, integral to achievement of client service excellence and to its ongoing development as a world-class IPO. The strength of the organization will continue to depend on its ability to attract and retain a committed and competent workforce. CIPO continues its efforts to meet the challenges of effective human resources management in the context of responsible fiscal management, in an environment that includes increasing labour market competition for qualified IP professionals.

In 2006–07, CIPO's Human Resources Branch continued to support attraction and retention of a committed and competent workforce by moving forward on the five interconnected priorities of its human resources strategy: recruitment and retention, employment equity and diversity, official languages, learning, and workplace well-being.

The rising demand for IP services and the importance of client service excellence are steadily increasing workload pressures within CIPO. This workload demand requires sustained and targeted hiring of qualified IP professionals and the highest standards of training. A combination of actions under all five human resources strategic priorities contributes to employee recruitment and retention. One of the most important drivers for retention is career development and learning, training to support employees in the work they do, and learning to develop competencies for the future.

Highlights

CIPO is committed to maintaining a workforce reflective of Canada's increasing diversity. In 2006–07, overall, CIPO met workforce availability rates for the four designated employment equity groups — visible minorities, women, persons with disabilities and Aboriginal peoples. Efforts continue to increase representation of designated groups at the professional level, and commitments to that effect have now been included in senior managers' performance agreements.

As part its obligations under the *Official Languages Act*, CIPO puts a high priority on ensuring quality service and support to its clients and employees, in both official languages. At the end of fiscal year 2006–07, 92.9 percent of employees and 91.4 percent of managers met the language requirements of their positions, and learning plans have been established for the remaining employees and managers. Throughout the year, product lines continued to enhance and execute examiner training programs specific to their needs. Training starts upon entry into the organization, and participants attain working level usually within one year for trade-mark examiners and two years for patent examiners.

In May 2006, CIPO launched a new Leadership Development Program (LDP) for supervisors, managers and project managers. There were 196 program participants, with an average of 4.3 training days for each participant between the launch and the end of the fiscal year. A total of 60 sessions was delivered, along with an additional 22 individual coaching sessions.

A community of leaders

CIPO's LDP has been instituted in response to a vision for building a community of highly qualified managers, through the sharing of knowledge and continuous learning. The LDP is based on four development streams: personal leadership, interpersonal leadership, managerial development and organizational awareness. It offers a variety of courses and learning opportunities. Participants have a total of 20 training days, some required over a three-year period. The LDP includes traditional courses and personalized services to enable participants to extend their general knowledge of leadership and to reflect on their personal leadership.

Strategic enablers

Management and accountability

CIPO is committed to enhancing its management practices and improving its accountability.

As a special operating agency of Industry Canada, CIPO is accountable to the Canadian public as well as to current and prospective users of the IP rights regime.

CIPO works to implement sound management principles and practices that are aligned with the Government of Canada's management accountability framework. Sound management will help to ensure the efficient delivery of effective results. Key elements on which CIPO is currently focused are financial resource management, the accountability and control framework, and strategic planning and reporting processes.

Highlights

Financial results

CIPO continued to operate from a strong financial position in 2006–07, with revenues exceeding forecasts to reach more than $138 million. This revenue increase was due to a number of factors: fee changes, a slight increase in the demand for IP rights, and improvements in the organization's capacity to meet its workload through key business commitments, including the hiring of new examiners and more efficient business processes. CIPO generated a net result of more than $14.9 million.

In 2006–07, the largest expenditure growth item was salaries and benefits, due to the increase of 40 full-time equivalent (FTE) staff — mostly in the Patent Branch — to a total complement of 897 FTEs, up from 857 in 2005–06.

Strengthening management

In fiscal year 2006–07, CIPO initiated the development of its new Five-Year Strategic Plan, the foundation for key priorities and activities to move the organization forward until 2012. This plan builds on and updates the Strategic Plan developed in 2001 — *Positioning CIPO for Service and Success*.

CIPO has begun to build capacity to improve forecasting and business analysis. It expects this investment to pay off in the future by enabling it to better plan its workload and understand performance gaps.

Information and technology

Both information management (IM) and information technology (IT) continue to grow in importance as drivers of service excellence in today's IP environment. The sheer volume of information is increasing as the IP regime becomes more complex and internationally focused.

With a strong focus on client consultation and responsiveness, CIPO needs to have the IM and IT systems in place to make the growing body of IP information readily available to clients and to effectively manage all information to support both internal and external business requirements. A critical element in this area is to maintain expansion and innovation in the delivery of electronic services to clients.

Highlights

CIPO's IM and IT foundations are closely linked. Information technologies are integral to the collection, management and dissemination of information. IT initiatives support a broad range of business objectives and allow CIPO to deliver world-class e-services, speed up application processes and increase client satisfaction and self-sufficiency.

In 2006–07, CIPO continued to review and upgrade IT infrastructure and processes in order to ultimately enhance service delivery to its external clients and to reduce operational costs. One key IT infrastructure upgrade is implementation of a storage area network, designed to enhance the continuous availability of IP data during a normal working environment and enable a more efficient recovery during a disaster.

Another key initiative to permit clients to conduct more business electronically with the organization is the adoption and implementation of an e-commerce common architecture. The purpose is to develop a coherent, agency-wide IT architecture for e-commerce at CIPO. This common IT architecture contains the standards, practices, products and technologies necessary to support online applications (e.g., patent maintenance fees) and services across CIPO, as well as support wider Government of Canada applications and services as CIPO begins to play a larger role in a service-oriented government of the future.

Conclusion

IP plays a critical role in Canadian economic performance and trade development. Innovators and creators using IP represent a significant force in the Canadian economy. CIPO has an important responsibility to help Canadian innovators and creators reap the full benefits offered by the Canadian IP system.

This annual report describes how we have discharged our mission and mandate in fiscal year 2006–07 and highlights some of our key successes. We are proud of these successes. They are due to the spirit of leadership, creativity and dedication with which CIPO's team has approached opportunities and challenges over the past five years. This spirit remains the critical ingredient as we continue this progress in the coming five years.

This report also communicates some of our future intentions and where we plan to invest our resources. In moving forward, we will focus on our five strategic directions: client services and outreach, which together constitute the core of our business; the IP administrative framework and international activities, which are key IP enablers for client services and outreach; and our people, who are critical to the delivery of these directions.

Audited financial statements

Management report

We have prepared the accompanying financial statements of the Canadian Intellectual Property Office Revolving Fund (the "Fund") as required by and in accordance with the policy of Treasury Board on revolving funds, and the reporting requirements and standards of the Receiver General for Canada. These financial statements were prepared by the management of the Fund in accordance with the significant accounting policies set out in Note 2 of the financial statements, on a basis consistent with that of the preceding year.

Responsibility for the integrity and objectivity of these financial statements rests with the management of the Fund. The information included in these financial statements is based on management's best estimates and judgment with due consideration given to materiality. To fulfill its accounting and reporting responsibilities, the Fund maintains a set of accounts, which provides a centralized record of the Fund's financial transactions. Financial information contained in the ministerial statements and elsewhere in the Public Accounts of Canada is consistent with that in these financial statements, unless indicated otherwise.

The Fund's directorate of financial services develops and disseminates financial management and accounting policies and issues specific directives, which maintain standards of accounting and financial management. The Fund maintains systems of financial management and internal control, which gives due consideration to costs, benefits and risks. They are designed to provide reasonable assurance that transactions are properly authorized by Parliament, are executed in accordance with prescribed regulations, and are properly recorded to maintain accountability of government funds and safeguard the assets under the Fund's administration. The Fund also seeks to assure the objectivity and integrity of data in its financial statements by the careful selection, training and development of qualified staff, by organizational arrangements that provide appropriate divisions of responsibility, and by communication programs aimed at ensuring that its regulations, policies, standards and managerial authorities are understood throughout the organization.

At the request of the Fund, these financial statements have been examined by external auditors, their role being to express an opinion as to whether the financial statements present fairly the financial position as at March 31, 2007, and the results of operations and cash flow for the year then ended in accordance with the accounting principles for revolving funds of the Government of Canada as described in Note 2 to the financial statements.

Approved by:

Graham Frost
Director, Planning, Finance and Administration

André Rousseau, CGA
Manager, Finance and Administration

June 19, 2007

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AUDITORS' REPORT TO THE DEPUTY MINISTER, INDUSTRY CANADA

We have audited the statement of financial position of the Canadian Intellectual Property Office Revolving Fund as at March 31, 2007 and the statements of operations and net assets (liabilities) and cash flow for the year then ended. These financial statements have been prepared to comply with Section 4 of the Treasury Board of Canada's Policy on Special Revenue Spending Authorities and the Revolving Funds Act. These financial statements are the responsibility of the management of the Canadian Intellectual Property Office Revolving Fund. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Canadian Intellectual Property Office Revolving Fund as at March 31, 2007 and the results of its operations and its cash flows for the year then ended in accordance with the accounting principles for revolving funds of the Government of Canada as described in Note 2 to the financial statements.

These financial statements, which have not been, and were not intended to be, prepared in accordance with Canadian generally accepted accounting principles, are solely for the information and use of the management of the Revolving Fund and the Treasury Board of Canada Secretariat for reporting on the use of the Fund authority. The financial statements are not intended to be and should not be used by anyone other than the specified users or for any other purpose.

KPMG LLP

Chartered Accountants, Licensed Public Accountants

Ottawa, Canada

May 29, 2007

Statement of Authority Provided (Used) (Unaudited)
for the year ended March 31, 2007 (in thousands of dollars)

	2007		2006	
	Estimates	Actual	Estimates	Actual
Net results	110	14 986	80	13 294
Add: items not requiring the use of funds	8 719	5 517	11 003	7 843
Operating source (use) of funds	8 829	20 503	11 083	21 137
Less: items requiring use of funds				
Net capital acquisitions	6 000	4 515	8 500	7 571
Net other assets and liabilities	(4 890)	(12 494)	(13 039)	(14 032)
Other items	—	—	—	—
Authority provided (used)	7 719	28 482	15 622	27 598

The accompanying notes form an integral part of these financial statements.

Reconciliation of Unused Authority (Unaudited)
as at March 31, 2007 (in thousands of dollars)

	2007	2006
Credit (debit) balance in the accumulated net charge against the Fund's authority (ANCAFA)	(110 844)	(131 695)
Transfer from Treasury Board Vote 5	(264)	—
Supplementary estimates	(390)	—
	(111 498)	(131 695)
Add: payables at year-end charges against the appropriation account after March 31	3 889	4 306
Less: amounts credited to the appropriation account after March 31	1 565	1 393
Other items	3 020	6 018
Net authority provided, end of year	(112 194)	(134 800)
Authority limit	5 000	5 000
Unused authority carry forward	117 194	139 800

The accompanying notes form an integral part of these financial statements.

Statement of Financial Position
as at March 31, 2007 (in thousands of dollars)

	2007	2006
Assets		
Current		
Petty cash	2	2
Accounts receivable		
Government of Canada	861	1 742
Outside parties	1 595	1 395
Unbilled revenues	7 259	6 071
Prepaid expenses	234	222
	9 921	9 432
Capital assets (Note 3)	17 461	26 368
Unbilled revenues	998	2 172
	28 380	37 972
Liabilities		
Current		
Deposit accounts	1 884	1 889
Accounts payable		
Government of Canada	1 841	2 797
Outside parties	6 997	6 692
Deferred revenues	37 160	29 498
	47 882	40 876
Employee termination benefits and vacation pay	8 464	7 035
Deferred revenues	46 891	44 370
	55 355	51 405
Deferred capital assistance (Note 4)	1 595	7 980
Commitments (Note 6)		
Contingencies (Note 10)		
Net assets / Liabilities (Note 5)	(76 452)	(62 289)
	28 380	37 972

The accompanying notes form an integral part of these financial statements.

Statement of Operations and Net Assets (Liabilities)
for the year ended March 31, 2007 (in thousands of dollars)

	2007	2006
Revenues	138 258	124 722
Expenses		
Salaries and employee benefits	81 486	75 058
Professional services	20 751	15 149
Amortization of capital assets	13 369	14 777
Accommodation	7 625	6 952
Materials and supplies	1 921	1 780
Information	308	260
Communications	879	824
Travel	657	603
Freight and postage	383	309
Repairs and maintenance	1 140	1 234
Training	910	662
Rentals	175	205
Loss on disposal of capital assets	53	—
	129 657	117 813
Net results before amortization of deferred capital assistance (DCA)	8 601	6 909
Amortization of DCA	6 385	6 385
Net results	14 986	13 294
Net assets (liabilities), beginning of year	(62 289)	(45 368)
Net financial resources used (provided) and change in the accumulated net charge against the Fund's authority (ANCAFA) account, during the year	(20 851)	(30 215)
Transfer of part of the accumulated surplus to the ANCAFA (Note 1)	(50 000)	—
Net assets (liabilities), end of year	(76 452)	(62 289)

The accompanying notes form an integral part of these financial statements.

Statement of Cash Flow

for the year ended March 31, 2007 (in thousands of dollars)

	2007	2006
Operating activities		
Net results	14 986	13 294
Add: amortization of capital assets	13 369	14 777
Add: loss on disposal of capital assets	53	—
Less: amortization of DCA	6 385	6 385
	22 023	21 686
Changes in working capital (Note 7)	6 517	9 819
Changes in other assets and liabilities		
Unbilled revenues	1 174	(992)
Employee termination benefits and vacation pay	1 429	837
Deferred revenues	2 521	6 436
	5 124	6 281
Net financial resources provided by operating activities	33 664	37 786
Investing activities		
Capital assets acquired	(4 515)	(7 571)
Financing activities		
Transfer of part of the accumulated surplus to the ANCAFA (Note 1)	(50 000)	—
Net financial resources provided (used) and change in the ANCAFA account, during the year	(20 851)	30 215
ANCAFA account, beginning of year	131 695	101 480
ANCAFA account, end of year (Note 5)	110 844	131 695

The accompanying notes form an integral part of these financial statements.

Notes to financial statements
Year ended March 31, 2007

1 — Purpose and authority

The Canadian Intellectual Property Office Revolving Fund (the "Fund") grants or registers exclusive ownership of IP in Canada. In exchange, the Fund acquires IP information and state-of-the-art technology which it disseminates to Canadian firms, industries and individuals to improve economic performance and competitiveness and to stimulate further invention and innovation.

The Fund was established on April 1, 1994. The authority to make expenditures out of the Consolidated Revenue Fund was granted on February 22, 1994, and has an authorized limit of $15 million. During the fiscal year ended March 31, 2002, the Fund's authorized limit was reduced from $15 million to $5 million. The Fund has continuing non-lapsing authority from Parliament to make payments out of the Consolidated Revenue Fund for working capital, capital acquisitions and temporary financing of accumulated operating deficits. The Fund may retain surpluses to continue to automate operations.

Pursuant to Treasury Board decision # 833200 (Budget 2006 Spending Restraint), dated November 30, 2006, and effective in 2006–07, the Fund transferred $50 million of its accumulated surplus to the ANCAFA.

2 — Significant accounting policies

BASIS OF ACCOUNTING

The financial statements have been prepared in accordance with the reporting requirements for revolving funds as described by the Receiver General for Canada. The basis of accounting used in these financial statements differs from Canadian generally accepted accounting principles because services received without charge from other government departments are not reported as expenses; the expenses and liability for termination benefits excludes the portion not funded by the Fund; and contingent liabilities are disclosed rather than recorded. The significant accounting policies are as follows:

Revenue recognition

Revenue derived from processing patent, trade-mark and industrial design applications is recognized using the percentage of completion method as work progresses. Fees received in advance of work being completed are recorded as deferred revenues. When work is completed prior to the receipt of the fee, the amount is recorded as unbilled revenue. Maintenance fees and other revenue are recognized upon receipt. Fees are prescribed by various orders-in-council.

Capital assets and amortization

Capital assets are recorded at cost and are amortized on a straight-line basis over their estimated useful lives, beginning in the month after acquisition, as follows:

Software	3 years
Hardware	3–5 years
Furniture	10 years
Equipment	10 years
Leasehold improvements	5 years
Systems	Estimated useful life, beginning in the year of deployment

Deferred capital assistance

The Fund received $63.8 million from the Crown for the development of the TechSource automation project, which was implemented in 1997–98. The deferred capital assistance is amortized on a straight-line basis over the estimated useful life of the TechSource system.

Employee termination benefits

Employees of the Fund are entitled to specified termination benefits, calculated based on salary levels in effect at the time of termination as provided for under collective agreements and conditions of employment. Employee termination benefits earned prior to an employee joining the Fund are a liability of the Treasury Board and accordingly have not been recorded in the accounts. As at March 31, 2007, the Treasury Board liability for the Fund's employees is $4.8 million (2006 — $4.8 million). The liability for benefits earned after an employee joins the Fund is recorded in the accounts as the benefits accrue to employees.

The Treasury Board will only fund this portion of the past services up to and including the 15th year of the Fund's operation; in 2009–10, the long-term liability account for termination benefits will be adjusted accordingly with an offset against the Fund's accumulated surplus.

Pension plan

Employees of the Fund are covered by the Public Service Superannuation Plan administered by the Government of Canada. Under present legislation, contributions made by the Fund to the Plan are limited to an amount equal to the employee's contributions on account of current service. These contributions represent the total pension obligations of the Fund and are charged to operations on a current basis. The Fund is not required under present legislation to make contributions with respect to actuarial deficiencies of the Public Service Superannuation Account and/or with respect to charges to the Consolidated Revenue Fund for the indexation of payments under the *Supplementary Retirement Benefits Act*.

Use of estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the period. Capital assets, revenues and human resource related accrued liabilities are the most significant items for which estimates are used. Actual results could differ from these estimates. These estimates are reviewed annually, and, as adjustments become necessary, they are recorded in the financial statements in the period in which they become known.

3 — Capital assets and accumulated amortization (in thousands of dollars)

	Cost March 31, 2006	Additions	Disposals	Cost March 31, 2007	Accumulated amortization	Net carrying value
Leasehold improvements	20 604	1 577	—	22 181	16 790	5 391
Software	7 906	1 631	—	9 537	7 035	2 502
Hardware	2 602	90	—	2 692	2 450	242
Equipment	—	—	—	—	—	—
Furniture	—	—	—	—	—	—
Systems						
INTREPID	3 735	249	—	3 984	3 793	191
TechSource	85 535	2 705	—	88 240	83 550	4 690
Other	11 164	—	—	11 164	9 973	1 191
Systems under development	5 044	(1 737)	53	3 254	—	3 254
Total	136 590	4 515	53	141 052	123 591	17 461

4 — Deferred capital assistance (DCA) (in thousands of dollars)

	2007	2006
DCA contribution	63 848	63 848
Less: accumulated amortization	62 253	55 868
Net book value	1 595	7 980

5 — Net assets / Liabilities (in thousands of dollars)

ACCUMULATED NET CHARGE AGAINST THE FUND'S AUTHORITY (ANCAFA)

The ANCAFA is the cash position of the Fund, held by the government on behalf of the Fund.

ACCUMULATED SURPLUS

The accumulated surplus is an accumulation of each year's surpluses, including the absorption of the opening deficit of $9.4 million upon establishment of the Fund.

	2007	2006
Accumulated surplus, beginning of year	69 406	56 112
Net results	14 986	13 294
Transfer of part of the accumulated surplus to the ANCAFA (Note 1)	(50 000)	—
Accumulated surplus, end of year	34 392	69 406
ANCAFA, end of year	(110 844)	(131 695)
Net assets / liabilities	(76 452)	(62 289)

6 — Commitments (in thousands of dollars)

The Fund has commitments for:

Maintenance services for the TechSource system:

2008	6 170
2009	6 686
2010	7 247
	20 103

Operating leases for its office premises:

2008	7 656
2009	4 847
2010	64
	12 567

Applications development and maintenance within the framework of the Continued Systems Improvements Program:

2008	3169
	3169

Access to online databases:

2008	216
	216

7 — Changes in working capital (in thousands of dollars)

Components of the changes in current assets and liabilities include:

	2007	2006
Accounts receivable (net of bad debt)	711	(90)
Unbilled revenues (short term)	(1188)	1437
Prepaid expenses	(12)	(138)
Deposit accounts	(5)	378
Accounts payable	(651)	2088
Deferred revenues (short term)	7662	6144
	6517	9819

8 — Related party transactions

Through common ownership, the Fund is related to all Government of Canada–created departments, agencies and Crown corporations. Payments for accommodation, translation, legal services, compensation and benefits services, mail services, security services, and mainframe and computing services are made to related parties in the normal course of business.

9 — Insurance

The Fund does not carry insurance on its property. This is in accordance with the Government of Canada policy of self-insurance.

10 — Contingencies

SICK LEAVE

Employees are permitted to accumulate unused sick leave. However, such leave entitlements do not vest and can be used only in the event of illness. The amount of accumulated sick leave entitlements which will become payable in future years cannot reasonably be determined and accordingly have not been recorded in the accompanying financial statements. Payments of sick leave benefits are included in current operations as incurred.

11 — Income taxes

The Fund is not subject to income taxes.

Additional financial information

Revolving fund

As a special operating agency within Industry Canada, with a revolving fund authority, CIPO finances its operations entirely from revenues generated by fees received from the provision of IP services. The financial statements of CIPO's Revolving Fund (the "Fund") have been prepared in accordance with the reporting requirements for revolving funds described by the Receiver General for Canada. The basis of accounting used in these financial statements differs from Canadian generally accepted accounting principles because services received without charge from other government departments are not reported as expenses; the expenses and liability for termination benefits excludes the portion not funded by the Fund; and contingent liabilities are disclosed rather than recorded. Some of the information included in these financial statements is based on management's best estimates and judgment, with due consideration given to materiality.

CIPO develops accounting policies and maintains the financial systems and internal controls necessary to fulfill its accounting and reporting responsibilities. By adhering to sound financial management practices and internal accounting controls, CIPO's financial administration provides reasonable assurance that transactions are recorded and executed in accordance with its authority, and that its assets are safeguarded.

In the context of modern comptrollership, and to improve managerial accountability and reporting, external auditors are hired to examine the financial statements and to express an opinion as to whether they present fairly CIPO's financial position at year-end.

Management report

Balance sheet

The balance sheet of the Fund reveals that CIPO continues to maintain its positive financial position. At the end of March 2007, the balance sheet (Note 5) indicates an accumulated net charge against the Fund's authority (ANCAFA — representing the cash situation of the Fund) of $110.8 million or $26.8 million if current and long-term deferred revenues are excluded. An amount of $8.3 million is recorded under unbilled revenues, which represents the value of work completed prior to the receipt of the fee. This relates mainly to trade-mark examinations and registrations where part of the examination fee is received before the work starts (recorded under deferred revenues) and the second part is received after the work is completed and accounted for under the unbilled revenues.

The capital assets of $17.5 million, net of depreciation, represent mainly the net value of the IT system TechSource for patent and other systems, the leasehold accommodation, and IT systems and software under development. Every year, investments are made to increase an IT capability that is closely aligned with CIPO's business objectives and requirements.

Under liabilities, the current and long-term deferred revenues of $37.2 million and $46.9 million, respectively, represent the prepaid amount for services to be provided in the near future and are directly linked with the inventory of patent and trade-mark files to be examined. Note that the total current deferred revenues account, representing an increase of $7.7 million from last year, represents the equivalent of the work to be performed during the next coming year.

Deferred capital assistance (DCA) has decreased by $6.4 million; it is amortized on a straight-line basis over the useful life of the TechSource system. Other financial elements of assets and liabilities remain relatively stable.

The accumulated surplus stands at $34.4 million as of March 31, 2007, after the transfer of $50 million of the accumulated surplus to the ANCAFA (see Notes 1 and 5 of the Notes to Financial Statements). The accumulated surplus ensures that CIPO will be able to remain both fiscally responsible and viable and will be in the position to maintain and/or improve service levels. This includes, for instance, reducing TATs and investing in the renewal and expansion of IT systems for the delivery of improved products and services to meet the evolving needs of clients, meet international obligations, and keep pace with the product and service offerings of other international IPOs.

Income statement

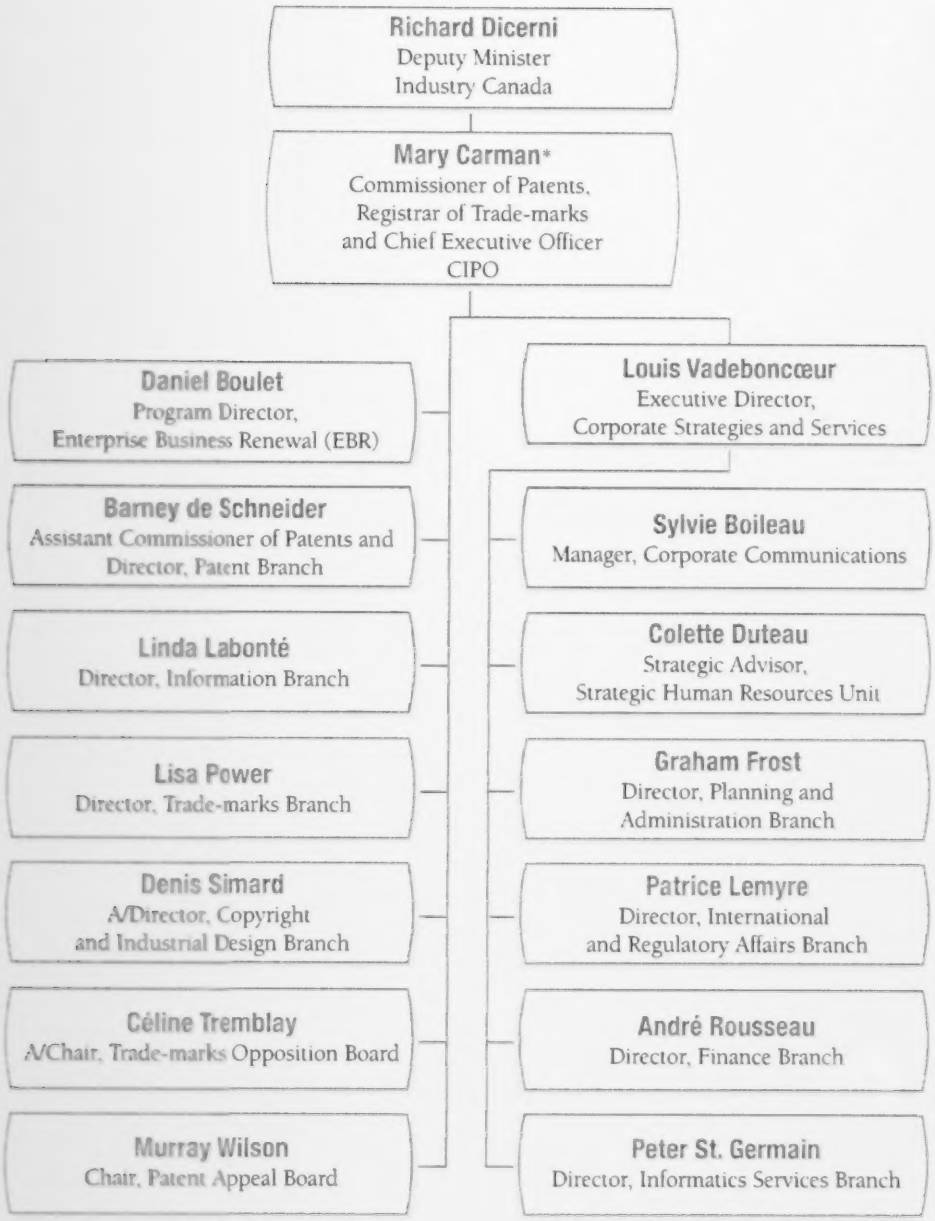
Revenues for fiscal year 2006–07 equal $138.3 million, which represents an increase of $13.6 million over last year. This increase comes mainly from the implementation of new fees for applications, examinations and maintenance on January 1, 2004, supported by steady growth in demand and the improvements in CIPO's capacity to meet this demand through key business commitments.

Expenditures for the same period equal $123.3 million and are $11.8 million higher than last year. Salary expenses represent a large part of this increase — over $6.4 million. This can be explained mainly by the significant hiring of new examiners to deal with the growing demand for IP products and services. These investments in human resources have already had a significant positive impact on TATs in many areas and consequently generate additional revenues. We also note an increase of $5.6 million in professional services, mainly related to the increase in IT costs, and $0.7 million in accommodation expenses. Thus, the net result was $15.0 million in income, after taking into account the credit on expenses of $6.4 million from DCA.

For more detail on revenues and expenditures, please refer to the charts in Appendix B.

Appendix A

Organizational structure 2006–07



* The Commissioner of Patents and Registrar of Trade-marks act independently when making quasi-judicial decisions.

Appendix B

Financial charts

Figure 1 Revenues by products and services

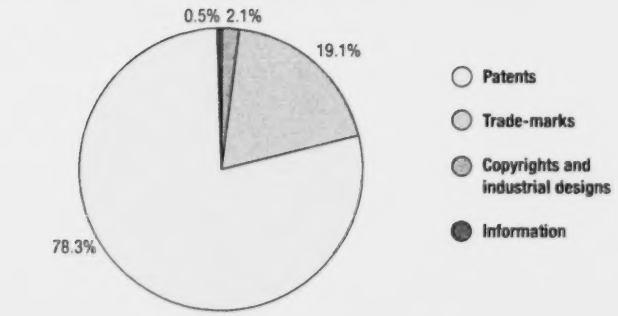


Figure 2 Operating expenditures by category

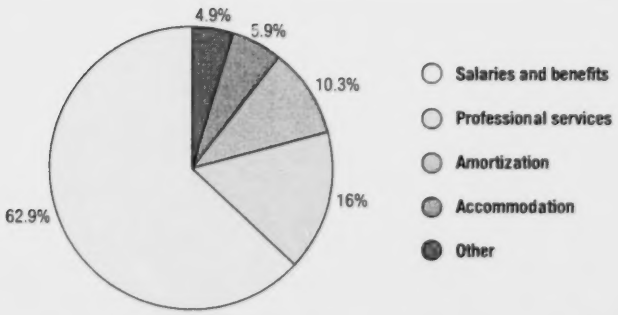


Figure 3 Expenditures by branch grouping

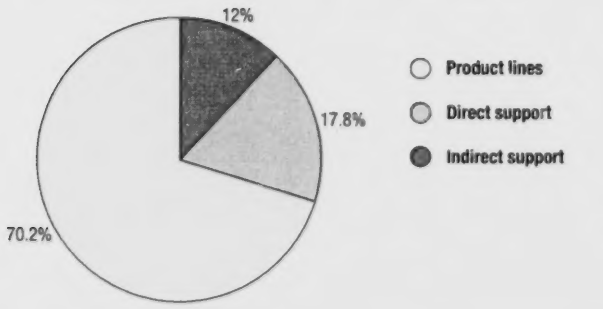


Figure 4 Patent revenues

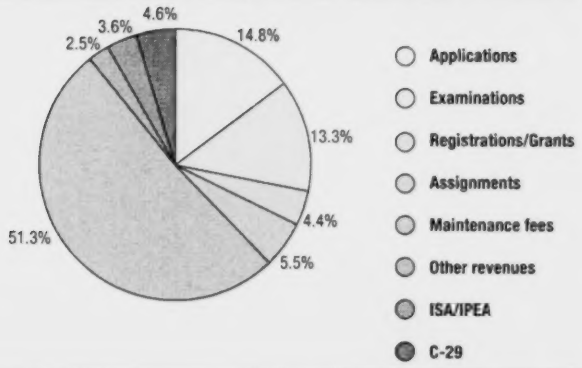


Figure 5 Trade-mark revenues

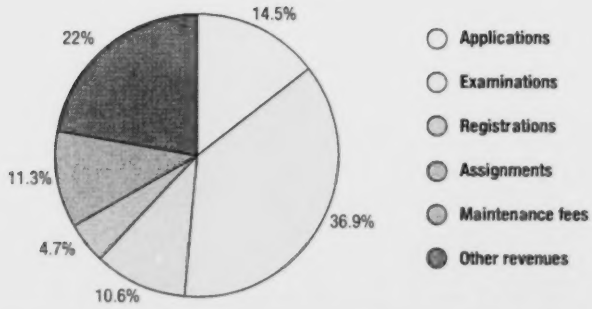
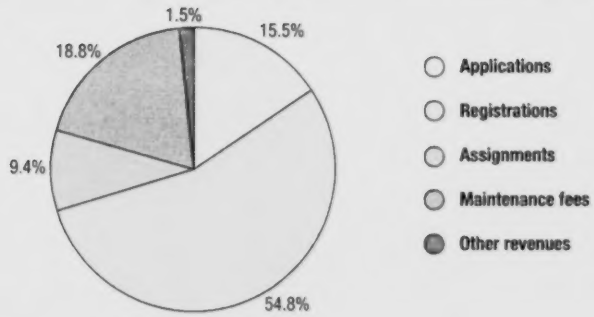


Figure 6 Copyright and industrial design revenues



Appendix C

Statistics

TABLE 1
Product output

	2004–05	2005–06	2006–07
Applications			
Patents	39 640	40 044	40 873
National	11 620	11 749	10 879
Patent Cooperation Treaty	28 020	28 295	29 994
Trade-marks	40 687	43 616	45 374
Copyrights	7 777	8 617	8 504
Industrial designs	4 121	4 682	4 883
Integrated circuit topographies	2	2	8
International Search Authority (ISA)	729	2 014	2 204
International Preliminary Examining Authority (IPEA)	—	154	415
Requests for examination			
Patents	25 142	28 352	28 622
Disposals			
Patents	31 282	32 113	32 806
Grants/Registrations			
Patents	13 553	15 331	16 100
Trade-marks	29 780	25 485	23 236
Copyrights	7 650	8 251	8 432
Industrial designs	2 966	3 469	3 841
Integrated circuit topographies	2	2	8
Abandonments			
Trade-marks	18 620	14 797	14 826
Copyrights	100	42	104
Industrial designs	397	328	455
Maintenance/Renewals			
Patents	271 398	291 654	286 552
Trade-marks	7 879	8 795	8 282
Industrial designs	1 418	1 601	1 726
Assignments			
Patents	57 290	57 220	50 012
Trade-marks	32 543	32 323	31 372
Copyrights	2 216	1 249	1 822
Industrial designs	1 276	1 976	1 455
Integrated circuit topographies	—	2	—
Enquiries			
Patents	40 002	21 718	20 291
Status requests (patents)	960	749	1 825
Trade-marks	22 556	20 009	19 384
Copyrights	9 115	7 957	7 082
Industrial designs	1 560	1 290	1 240
Integrated circuit topographies	50	44	35
General information	1 379	1 285	20 962
Other	306	196	n/a

Trade-mark statistics

TABLE 2
Trade-mark applications filed by language

	2004–05	2005–06	2006–07
English	37 505	40 260	41 849
French	3 182	3 356	3 525
Total	40 687	43 616	45 374

TABLE 3
Trade-mark applications filed and registered by province/territory

	Filed	Registered
Alberta	1 835	964
British Columbia	3 012	1 336
Manitoba	426	202
New Brunswick	153	97
Newfoundland and Labrador	95	38
Northwest Territories	5	3
Nova Scotia	248	100
Nunavut	3	5
Ontario	9 431	5 224
Prince Edward Island	31	7
Quebec	4 476	2 496
Saskatchewan	201	105
Yukon Territory	8	3
Total	19 924	10 580

TABLE 4
Top 10 trade-mark applicants

The Procter & Gamble Company	211
Novartis AG	165
Johnson & Johnson (A Legal Entity)	142
Dundee Corporation	107
Unilever Canada Inc.	86
Wham-O, Inc.	86
The Cartoon Network, Inc. (A Delaware Corporation)	79
Aristocrat Technologies Australia PTY Ltd.	75
Canadian Tire Corporation, Limited	74
Bristol-Myers Squibb Company (A Delaware Corporation)	63

TABLE 5
Top 10 trade-mark registrants

The Procter & Gamble Company	145
Dundee Corporation	76
L'Oréal, Société Anonyme	68
LIDL Stiftung & Co. KG	66
Avon Products Inc.	64
Canadian Tire Corporation, Limited	50
Johnson & Johnson (A Legal Entity)	49
XM Satellite Radio Inc.	47
General Motors Corporation	45
Novartis AG	41
Origins Natural Resources Inc.	41

TABLE 6
Trade-marks Opposition Board — Operational statistics

	2004–05	2005–06	2006–07
Statements of opposition filed	1594	1232	1114
Opposition decisions rendered	134	82	133
Opposition abandonments	941	795	777
Section 45 notices issued	753	593	640
Section 45 decisions rendered	625	622	484

TABLE 7

Trade-mark applications filed and registered by origin as stated by applicant

	Filed	Registered
Algeria	0	1
Andorra	1	0
Antigua and Barbuda	13	1
Argentina	26	12
Aruba	0	1
Australia	550	189
Austria	124	58
Bahamas	21	14
Bahrain	3	0
Bangladesh	1	0
Barbados	92	25
Belarus	1	0
Belgium	129	70
Belize	1	3
Benelux Office for IP (Netherlands)	1	1
Bermuda	28	7
Brazil	100	32
British Virgin Islands	55	31
Bulgaria	9	1
Cambodia	1	0
Canada	19 924	10 580
Cayman Islands	19	7
Channel Islands	7	6
Chile	35	31
China	363	154
Colombia	37	13
Costa Rica	8	0
Croatia	3	0
Cuba	0	1
Cyprus	15	11
Czech Republic	13	5
Denmark	137	71
Dominican Republic	3	0
Ecuador	1	1
Egypt	6	0
El Salvador	1	3
Estonia	4	0
Fiji	1	0
Finland	85	44
France	1 161	668
Germany	1 443	751
Gibraltar	3	9
Greece	17	1
Guatemala	12	1
Guernsey	1	0
Guyana	5	0
Haiti	1	1
Hong Kong, China	119	70
Hungary	7	3
Iceland	6	2
India	69	24
Indonesia	6	0
Iran (Islamic Republic of)	1	0
Ireland	92	43
Isle of Man	10	2
Israel	91	33
Italy	590	359
Jamaica	5	5
Japan	961	551
Jordan	2	1
Kenya	1	0
Kuwait	3	0
Latvia	0	1
Lebanon	4	5
Liechtenstein	33	4
Lithuania	1	0
Luxembourg	54	37
Macau	2	1
Malaysia	13	8
Malta	12	2
Mauritius	4	6
Mexico	102	53
Monaco	24	9
Morocco	2	1
Netherlands	415	216
Netherlands Antilles	20	2
New Zealand	135	47
Norway	43	39
Ohim (EC)	2	0
Pakistan	9	4
Panama	36	22
Paraguay	1	0
Peru	1	3
Philippines	13	5
Poland	29	21
Portugal	41	28
Qatar	2	0
Republic of Korea	192	72
Republic of Moldova	1	1
Romania	5	3
Russian Federation	22	16
Samoa	1	0
Saudi Arabia	11	0
Senegal	2	0
Seychelles	5	0
Singapore	72	26
Slovakia	7	0
Slovenia	7	1
South Africa	50	22
Spain	273	96
Sri Lanka	6	1
St. Vincent and the Grenadines	2	0
Sweden	240	117
Switzerland	954	394
Taiwan	119	75
Thailand	22	12
Tunisia	1	0
Turkey	31	19
Turks and Caicos Islands	10	0
Ukraine	9	6
United Arab Emirates	32	11
United Kingdom	1 040	462
United States of America	14 780	7 467
Uruguay	13	4
Vanuatu	2	0
Venezuela	3	5
Vietnam	11	5
West Indies	25	6
Yemen	2	0
Yugoslavia	2	4
Total	45 374	23 236

Figure 7 *Trade-mark turnaround times to examination*

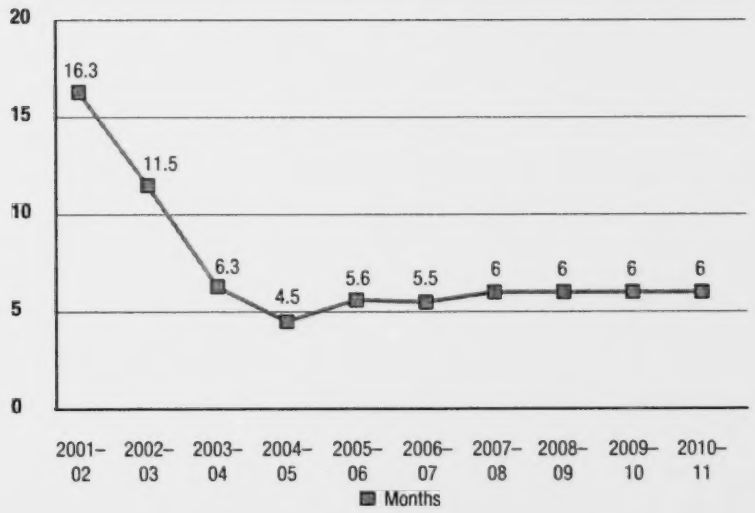


Figure 8 *Trade-mark applications*

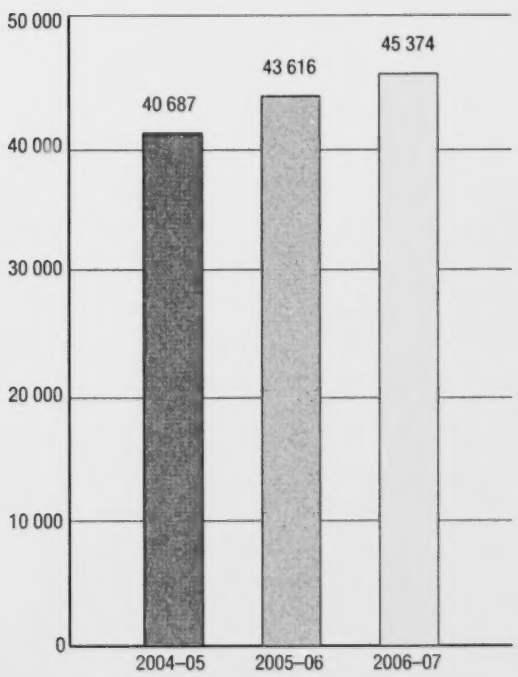
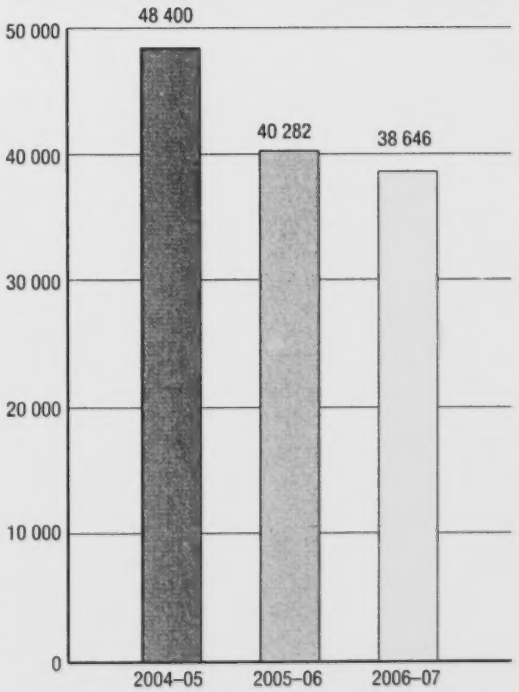


Figure 9 *Trade-mark disposals*



Patent statistics

TABLE 8
Patent applications filed by language

	2004–05	2005–06	2006–07
English	38 054	38 658	39 459
French	1 586	1 386	1 414
Total	**39 640**	**40 044**	**40 873**

TABLE 9
Patent applications filed, requests for examination and grants by discipline

Discipline	2004–05	2005–06	2006–07
Biotechnology			
Filed	3 850	3 406	3 353
Requests for examination	2 423	2 793	2 553
Granted	522	514	505
Computer-related			
Filed	6 662	7 048	7 222
Requests for examination	4 464	5 347	5 740
Granted	2 216	2 286	2 274
Electrical engineering / Physics			
Filed	3 037	3 286	3 154
Requests for examination	2 130	2 209	2 164
Granted	1 394	1 262	1 183
Mechanical/Civil engineering			
Filed	9 538	9 562	9 228
Requests for examination	6 009	6 476	6 481
Granted	4 414	5 376	5 504
Organic chemistry			
Filed	4 966	4 829	5 269
Requests for examination	3 180	3 626	3 501
Granted	1 419	1 876	2 047
Other chemistry			
Filed	6 677	7 003	7 425
Requests for examination	4 263	4 817	5 014
Granted	2 036	2 116	2 497
Miscellaneous			
Filed	4 910	4 910	5 222
Requests for examination	2 673	3 084	3 169
Granted	1 552	1 901	2 090
All disciplines			
Filed	39 640	40 044	40 873
Requests for examination	25 142	28 352	28 622
Granted	13 553	15 331	16 100

TABLE 10
Patent applications filed and granted to residents of Canada and foreign countries

	PCT filings	Non-PCT filings	Total filings	Total grants
Canada				
Alberta	196	595	791	326
British Columbia	189	316	505	151
Manitoba	22	65	87	41
New Brunswick	6	38	44	10
Newfoundland and Labrador	1	21	22	6
Nova Scotia	14	64	78	20
Ontario	645	1 789	2 434	724
Prince Edward Island	1	1	2	0
Quebec	330	839	1 169	348
Saskatchewan	10	110	120	61
Yukon Territory	0	3	3	0
Subtotal	**1 414**	**3 841**	**5 255**	**1 687**
Foreign countries	28 580	7 037	35 617	14 413
Total	**29 994**	**10 878**	**40 872**	**16 100**

TABLE 11
Top 10 patent applicants

Research In Motion Limited	448
The Procter & Gamble Company	342
Qualcomm Incorporated	293
General Electric Company	262
F. Hoffman-LaRoche AG	248
BASF Aktiengsellschaft	237
3M Innovative Properties Company	200
Schlumberger Canada Limited	194
Ethicon Endo-Surgery Incorporated	180
Novartis AG	167

TABLE 12
Top 10 patentees

Honda Giken Kogyo Kabushiki Kaisha	181
The Procter & Gamble Company	166
Minnesota Mining and Manufacturing Company	113
L'Oréal, Société Anonyme	112
Schlumberger Canada Limited	98
BASF Aktiengsellschaft	93
Baker Hughes Incorporated	88
E.I. du Pont de Nemours and Company	88
Illinois Tool Works Incorporated	84
Weatherford/Lamb Inc.	84

TABLE 13
Patent Appeal Board — Operational statistics

	2004–05	2005–06	2006–07
Final actions			
Referrals	20	14	10
Disposals	12	11	10
Industrial designs			
Referrals	2	2	0
Disposals	6	0	1
Conflicts			
Referrals	3	0	4
Disposals	3	0	1
Re-examination — Section 48.1			
Filings	4	5	2
Disposals	5	6	2
Abuse — Section 67			
Filings	0	1	0
Disposals	1	1	0
Candidates for qualifying examination			
Patents	257	209	219
Trade-marks	32	32	35

TABLE 14

Patent applications filed and granted by origin as stated by applicant

	Filed	Granted
Antigua	1	0
Argentina	14	1
Australia	632	178
Austria	198	91
Bahamas	12	2
Barbados	161	31
Belarus	0	1
Belgium	338	123
Belize	4	1
Bermuda	30	6
Bolivia	2	0
Brazil	53	19
British Virgin Islands	38	16
Bulgaria	1	0
Canada	5 256	1 687
Cayman Islands	7	3
Chile	10	1
China	185	20
Chinese Taipei	166	11
Colombia	2	0
Cook Islands	1	0
Costa Rica	2	0
Country unknown	8	0
Croatia	15	1
Cuba	12	2
Cyprus	16	3
Czech Republic	20	1
Denmark	323	89
Dominican Republic	1	0
Ecuador	1	1
Egypt	5	1
Estonia	2	0
Finland	342	265
France	1 575	839
Georgia	1	1
Germany (Democratic Republic of)	5	2
Germany (Federal Republic of)	2 875	1 151
Greece	11	2
Hungary	34	8
Iceland	18	5
India	150	8
Indonesia	0	1
International Patent Institute	0	1
Iran	1	0
Iraq	1	0
Ireland	121	35
Isle of Man	1	0
Israel	397	79
Italy	628	224
Japan	2 359	1 553
Kazakhstan	2	1
Kenya	1	0
Latvia	1	1
Lebanon	0	1
Liechtenstein	20	18
Lithuania	1	0
Luxembourg	39	14
Malaysia	5	1
Malta	1	0
Mauritius	2	1
Mexico	33	6
Monaco	5	2
Netherlands	667	232
Netherlands Antilles	16	10
New Zealand	115	39
Norway	182	84
Oman	1	0
Panama	9	0
Papua New Guinea	1	0
Philippines	1	0
Poland	6	3
Portugal	17	3
Republic of Korea	455	122
Romania	5	0
Russian Federation	24	10
Samoa	1	0
Saudi Arabia	7	0
Seychelles	2	0
Singapore	37	5
Slovakia	6	1
Slovenia	14	1
South Africa	67	25
Spain	188	33
St. Vincent and the Grenadines	0	1
Sweden	561	353
Switzerland	1 503	495
Thailand	6	1
Tunisia	1	1
Turkey	5	1
Turks and Caicos Islands	2	1
Ukraine	7	7
United Kingdom	1 377	599
United Arab Emirates	4	2
United States of America	19 434	7 560
Uruguay	3	1
Vanuatu	1	0
Venezuela	1	2
Yugoslavia	2	0
Total	**40 873**	**16 100**

Figure 10 *Patent requests for examination*

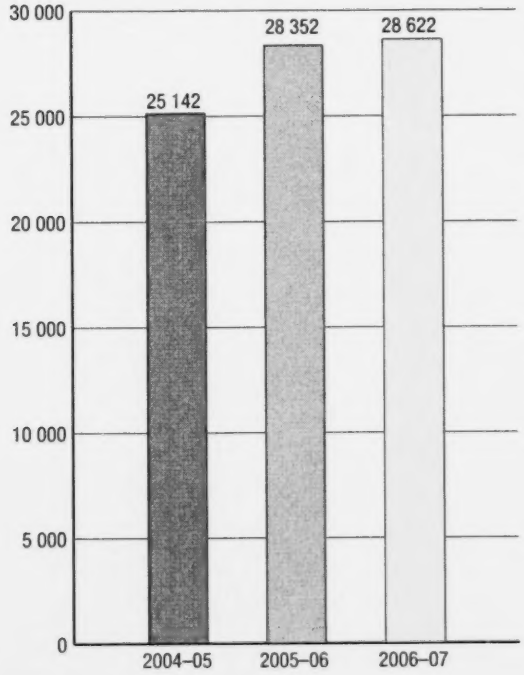
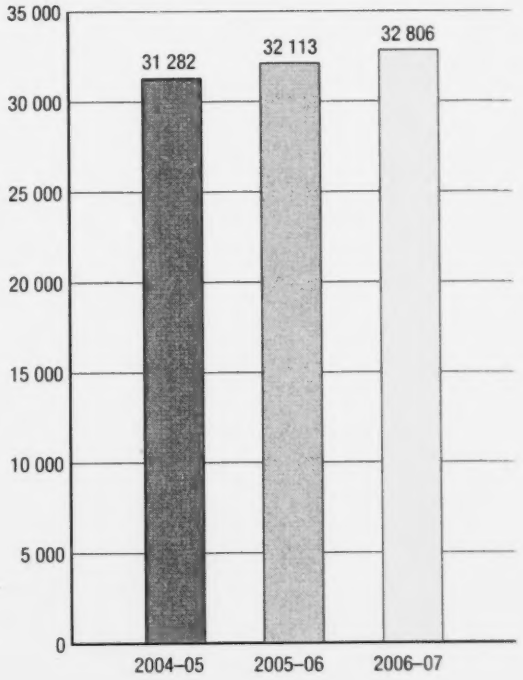


Figure 11 *Patent disposals*



Copyright statistics

TABLE 15
Copyright applications filed by language

	2004–05	2005–06	2006–07
English	6377	6948	7009
French	1400	1669	1495
Total	7777	8617	8504

TABLE 16
Copyright applications filed and registered by province/territory

	Filed	Registered
Alberta	754	737
British Columbia	1082	1068
Manitoba	147	145
New Brunswick	92	91
Newfoundland and Labrador	31	31
Northwest Territories	5	5
Nova Scotia	101	101
Ontario	2831	2804
Prince Edward Island	11	12
Quebec	1841	1828
Saskatchewan	110	109
Yukon Territory	14	14
Total	7019	6945

TABLE 17
Copyrights filed and registered by origin as stated by applicant

	Filed	Registered
Antigua and Barbuda	1	1
Australia	6	6
Belgium	2	2
Bermuda	34	34
Brazil	2	2
British Virgin Islands	5	5
Canada	7020	6946
China	19	19
Cuba	1	1
El Salvador	1	1
France	25	24
Germany	10	10
Greece	12	12
Hong Kong, China	85	85
India	4	4
Indonesia	1	1
Japan	0	1
Lebanon	1	1
Luxembourg	4	4
Mexico	3	3
Netherlands	2	2
New Zealand	1	1
Norway	1	1
Pakistan	1	1
Philippines	3	3
Republic of Korea	2	2
Slovakia	1	1
South Africa	0	1
Spain	3	3
Switzerland	14	13
Taiwan	2	2
United Arab Emirates	2	2
United Kingdom	28	28
United States of America	1208	1210
Total	8504	8432

TABLE 18
Top 10 copyright applicants

Twentieth Century Fox Film Corporation	206
Columbia Pictures Industries, Inc.	198
Sound Ideas (A Division of the Brian Nimens Corporation Limited)	93
Pearson Education Canada	89
Television Broadcasts Limited	78
Groupe Educalivres Inc.	60
Ayngaran Films Int'l (PVT) Ltd.	43
Society of Authors, Composers and Music Publishers of Canada (SOCAN)	43
Fabrice de Villeneuve	41
Cumulative Environmental Management Association	33

Figure 12 Copyright applications

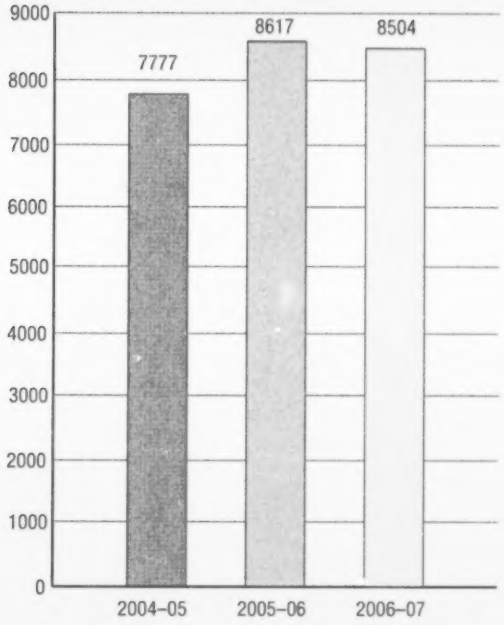
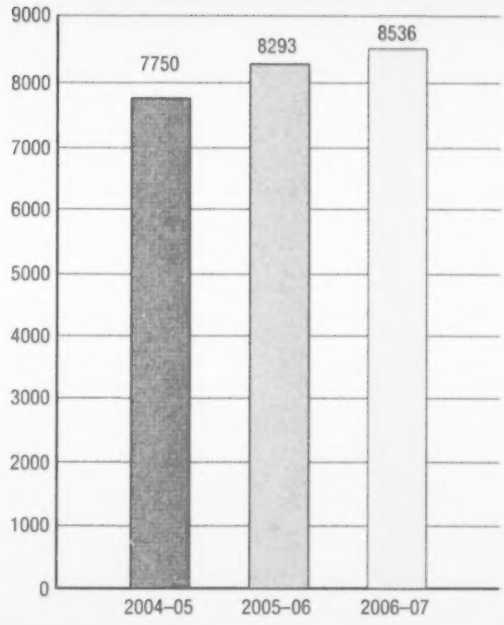


Figure 13 Copyright disposals



Industrial design statistics

TABLE 19
Industrial designs registered by language

	2004–05	2005–06	2006–07
English	2773	3345	3761
French	193	124	92
Total	2966	3469	3853

TABLE 20
Industrial design applications filed and registered by province/territory

	Filed	Registered
Alberta	25	22
British Columbia	149	31
Manitoba	8	6
New Brunswick	5	11
Newfoundland and Labrador	2	2
Northwest Territories	6	1
Nova Scotia	7	3
Ontario	283	205
Prince Edward Island	2	0
Quebec	152	127
Saskatchewan	1	10
Yukon Territory	0	2
Total	640	420

TABLE 21
Industrial design applications filed and registered by origin as stated by applicant

	Filed	Registered
Anguilla	1	0
Argentina	6	1
Australia	58	40
Austria	31	22
Bahamas	4	2
Barbados	14	15
Belgium	12	14
Bermuda	2	7
Brazil	1	2
British Virgin Islands	9	7
Bulgaria	0	2
Canada	641	421
Cayman Islands	1	0
China	24	5
Cook Islands	2	0
Cyprus	0	1
Czech Republic	0	1
Denmark	16	16
Egypt	2	1
England	34	15
Finland	67	52
France	116	89
Germany	156	154
Hong Kong, China	19	23
Hungary	1	0
Iceland	1	0
India	5	1
Ireland	5	4
Israel	8	4
Italy	135	108
Japan	231	225
Korea	17	6
Liechtenstein	30	25
Luxembourg	0	3
Malaysia	2	2
Mexico	2	2
Monaco	1	1
Netherlands	43	47
New Zealand	16	16
Norway	16	5
Panama	1	0
Poland	0	3
Portugal	3	1
Republic of China	50	37
Republic of Korea	52	43
Russian Federation	0	1
Saint Kitts and Nevis	0	2
Singapore	13	4
South Africa	8	3
Spain	13	42
Sweden	42	22
Switzerland	144	109
Taiwan	14	27
Thailand	1	0
Turkey	3	1
Taiwan (Republic of China)	40	28
United Kingdom	125	70
United States of America	2645	2109
Total	4883	3841

TABLE 22
Top 10 industrial design applicants

Nike International Ltd.	152
The Procter & Gamble Company	84
Kohler Co.	80
Wolverine World Wide, Inc.	77
Microsoft Corporation	75
Moen Incorporated	63
Vector Products, Inc.	36
Natuzzi S.p.A.	32
Nokia Corporation	28
Sonia, S.A.	27

TABLE 23
Top 10 industrial design registrants

Nike International Ltd.	152
The Procter & Gamble Company	85
Kohler Co.	80
Wolverine World Wide, Inc.	77
Microsoft Corporation	75
Moen Incorporated	63
Vector Products, Inc.	33
Natuzzi S.p.A.	32
Nokia Corporation	27
Sonia, S.A.	27

Figure 14 Industrial design applications

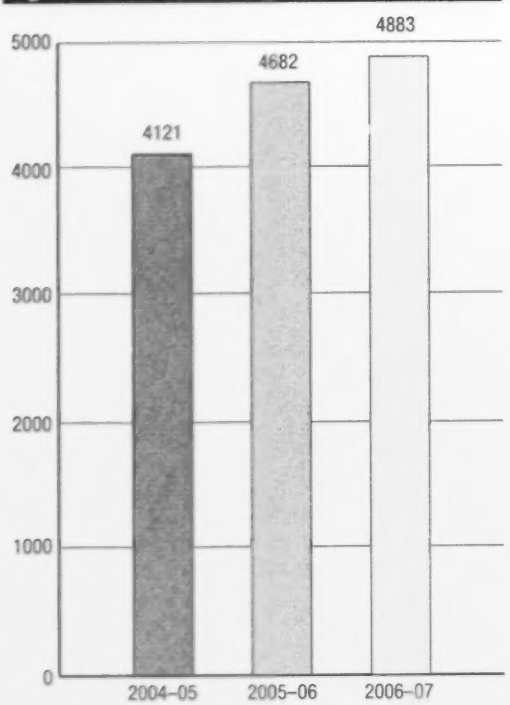
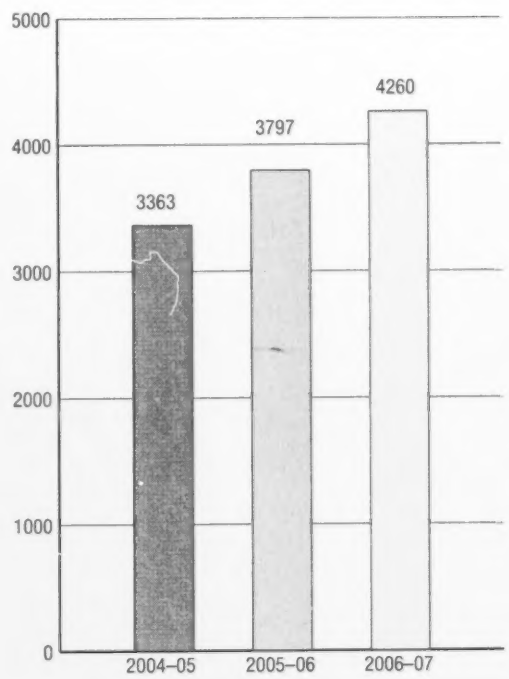


Figure 15 Industrial design disposals



Information statistics

Figure 16 *Internet traffic*

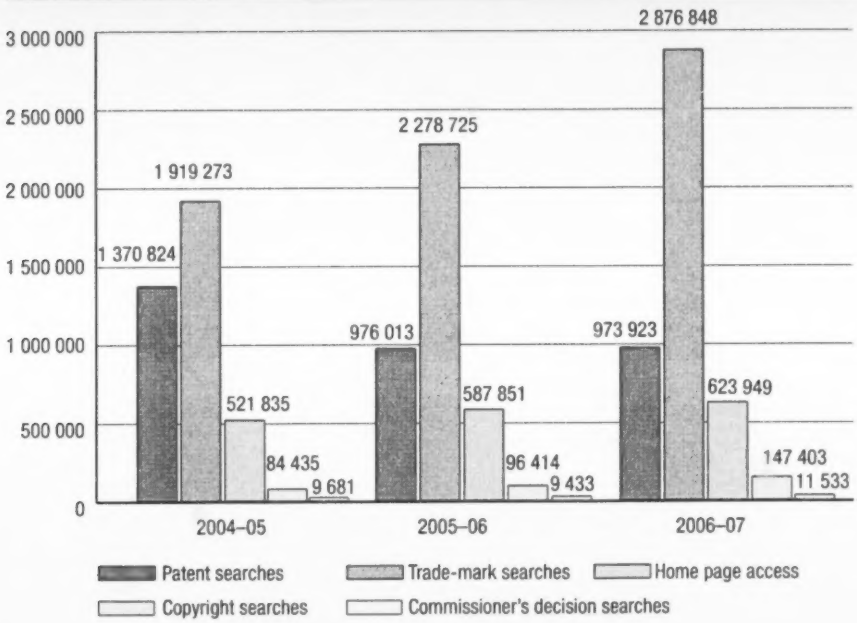
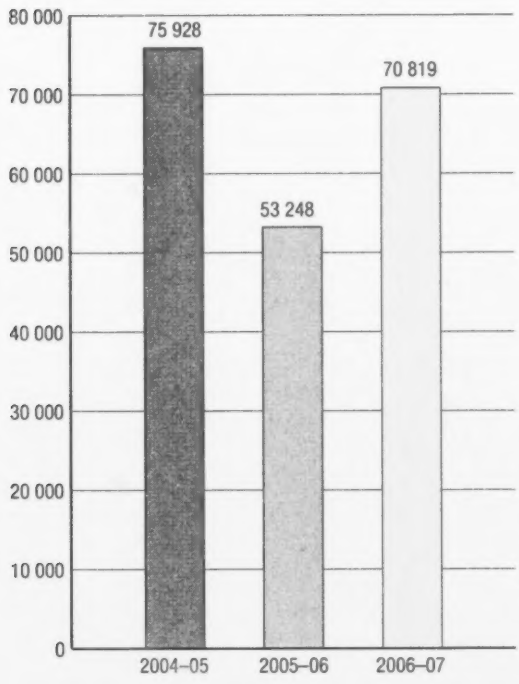


Figure 17 *Enquiries*



Human resources statistics

Figure 18 Employees by age group

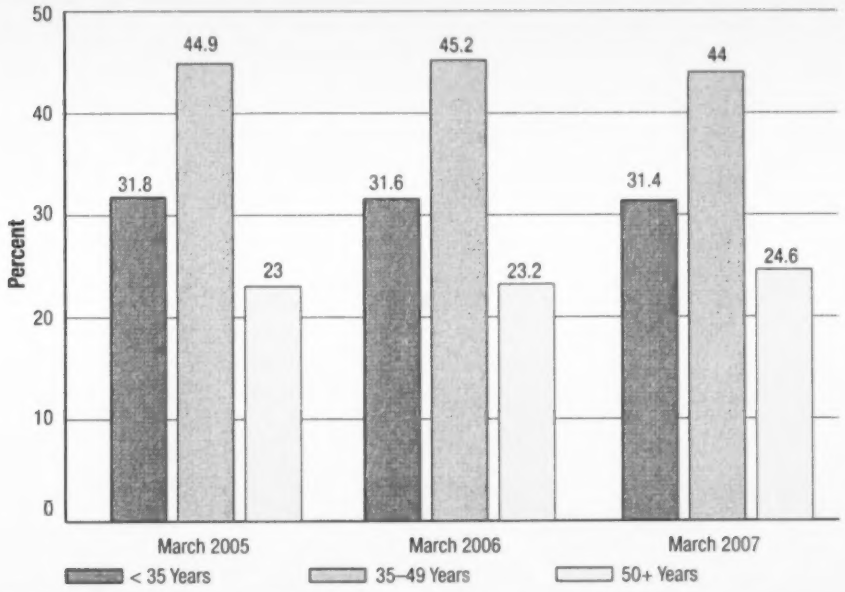


Figure 19 Total employees

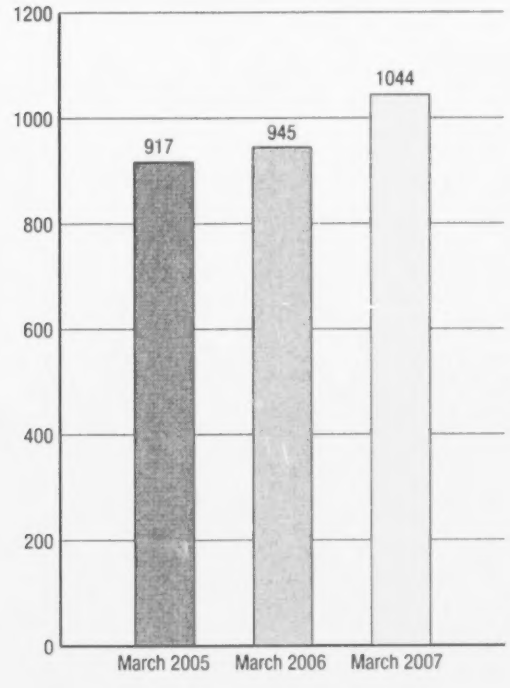
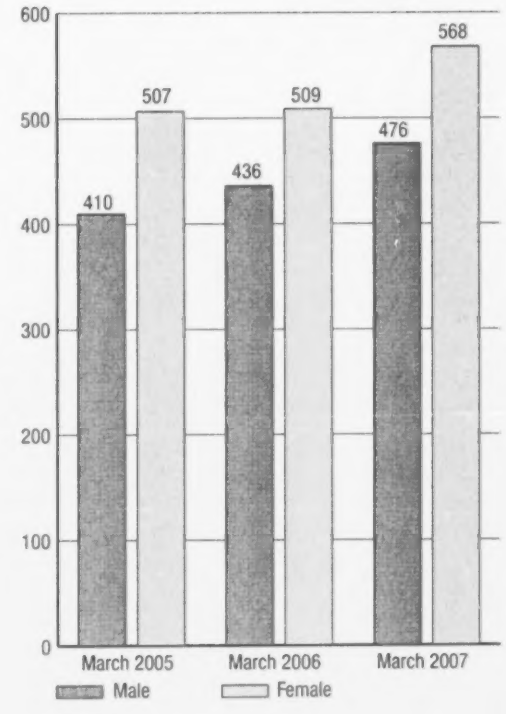


Figure 20 Employees by gender



Appendix D

Client service standards

Services	*Client service standards*	*Results*
PATENT BRANCH		
• issue filing certificate for patent applications meeting filing requirements	within 4 weeks from date of receipt of the application	4.2 weeks
• issue confirmation of national entry for PCT applications meeting entry requirements	within 8 weeks from date of receipt of the application	8.0 weeks
• issue an ownership registration certificate	within 6 weeks from date of receipt of documentation	6.0 weeks
• provide a first substantive examination (80 percent of applications with a request for examination will be waiting for a first substantive examination action, including all known objections to patentability)	80 percent of applications less than 27 months	77 percent less than 27 months
PATENT APPEAL BOARD		
• Patents - contact applicant to arrange hearing date	within 2 months	2.0 months
• Industrial designs - contact applicant to arrange hearing date	within 2 months	2.0 months
TRADE-MARKS BRANCH		
• acknowledge correctly filed new applications	within 7 working days of filing date	4.0 working days
• approve acceptable applications or issue first examination reports	within 6 months of filing date at the start of 2006–07, to 4 months at the end of 2006–07	5.5 months
• respond to client correspondence received subsequent to a first action	within 4 months of receiving correspondence	2.1 months (excluding secondary)

Services	Client service standards	Results
TRADE-MARKS OPPOSITION BOARD		
• conduct oral hearing		
- opposition	within 14 months from receipt of request (no postponements)	8.5 months
- section 45	within 18 months from receipt of request	20.5 months
• render decisions		
- non-hearing opposition	within 12 months of decision stage	8.3 months
- non-hearing section 45	within 18 months of decision stage	11.4 months
COPYRIGHT OFFICE		
• register a copyright and issue a certificate		
- for applications received by mail	within 10 working days from receipt of application and fees	10.1 working days
- for applications filed electronically	within 3 working days from receipt of application and fees	3.2 working days
- for "accelerated action" applications received by mail	within 3 working days from receipt of application and fees	2.3 working days
• register a grant of interest and issue a certificate for a copyright	within 18 working days from receipt of application and fees	8.0 working days
INDUSTRIAL DESIGN DIVISION		
• issue filing certificate or issue report indicating application is incomplete	within 4 weeks from receipt of application	2.0 weeks
• examine application to assess the registrability of the design; allow the design or issue first examiner's report	within 13 months from receipt of application	12.3 months

Services	Client service standards	Results
CLIENT SERVICE CENTRE[1] (CSC) (INFORMATION BRANCH)		requests are processed within standards 90 percent of the time
• respond to telephone enquiries or voice mail	immediately upon receipt or call will be returned within 24 hours	met
• respond to general correspondence, email and fax requests	within 2 working days upon receipt in CSC	met
• provide access to an information officer (on site)	within 10 minutes of request	met
• send IP publications	publications will be mailed within 2 working days	met
REPRODUCTION AND SALES SECTION (INFORMATION BRANCH)		requests are processed within standards 90 percent of the time
• send photocopies of patent, trade-mark and copyright documents in paper or electronic form	from 1 to 3 working days from receipt of request and with proof of payment[2]	met
• send certified copies of patent, trade-mark and copyright documents in paper form	from 1 to 3 working days from receipt of request and with proof of payment[2]	met

Note: CIPO is committed to providing service at the level specified, and, on average over the year, it is expected that this service level will be achieved. There may be some instances where service does not meet the service standard due to unforeseen circumstances.

1. CSC's business hours are from 8:30 a.m. to 4:30 p.m. from Monday to Friday (with the exception of statutory holidays).
2. Some exceptions may apply due to delays in receiving materials from archives.

Appendix E

Management team and business development officers

Management team

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